Imperial Oil in the Gasoline Slump—See Page 16

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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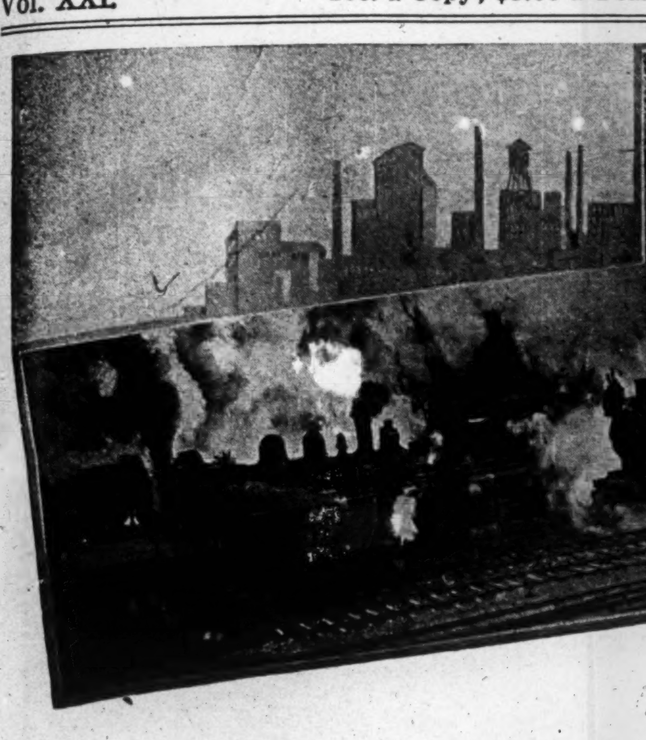
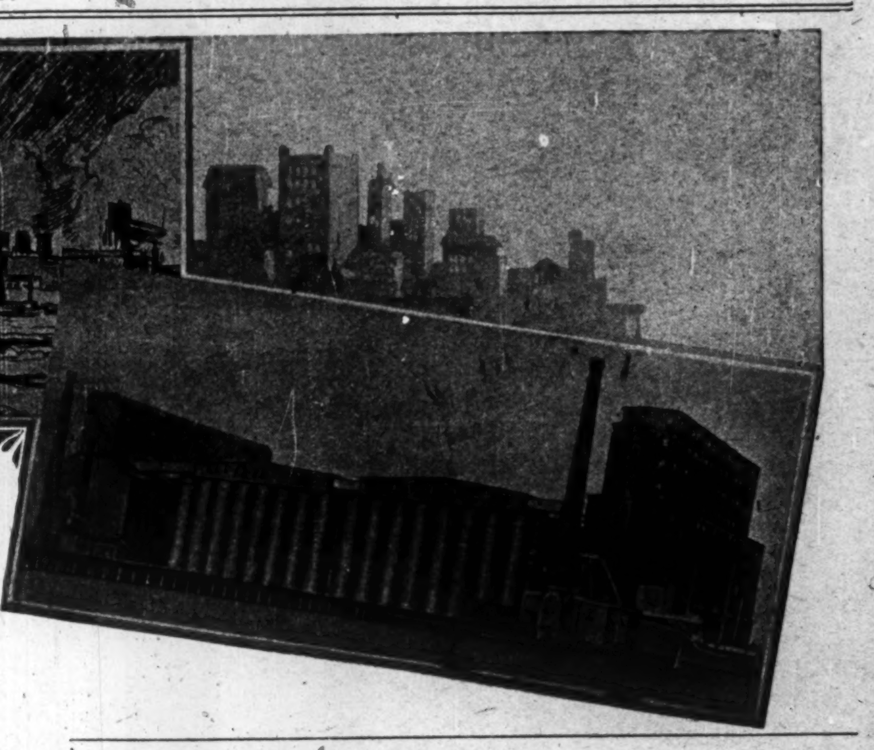




Canada at Sixty Years is Young Man's Country

ABOUT thirty years ago a young Englishman went to the United States to find his opportunity. He found it, and, seizing hold of it, acquired both fame and wealth in the city of Washington. Just the other day this man said:

"I wish that I were a young man again, leaving England to find a place for myself. I would go to Canada. I could accomplish more in Canada in the next generation than I have done in the United States in the past generation. Canada is at the turning point. It is the young man's country of to-day."

Canadians themselves, wearied of incipient booms, pioneering disappointments, and the afflictions of war, feel a similar confidence to-day. We feel that at last we are going to come into our own. Already we have accomplished much and need not feel ashamed of the achievements of a nation that has spread a mighty economic superstructure over a far-stretching land, and has developed its trading, financial and social activities and influence many times as rapidly as its population has grown. But these have not given us full satisfaction, and many of us have felt some disappointment that we have not kept pace in population, industry and commerce with our nearest neighbor.

Canada is at maturity; in the prime of life. The nation is like a young man whose period of education, whose false starts and early struggles are in the background, and who can now make of life as great a success as he chooses. Canada's false starts and struggles are chiefly over now. The sixtieth birthday of the Dominion sees her in the ascendant, dynamically so.

We shall miss the full significance of this if we do not remember also that to-day the United States is fifty years beyond a similar period in her development. To-day the people to the south are consolidating their nation; they seek expansion less than they seek stability. Their nation is becoming static by choice and necessity. For genuine opportunity, which will satisfy the urge to develop along pioneering and constructive lines, one must come to-day to Canada.

The growth that was the reward of achievement in the United States during the past sixty years will now belong to Canada. Sixty years from now Canada should have experienced a development beyond our present dreams.

Fortunate is he or she who is young in Canada to-day.

The Nation's Business

Ottawa Bungles European Immigration

Promising Flow is Dammed Up

Research Plans Give Promise of Results Work Now Under Way

FOR several years past, public organizations across the Dominion have been bewailing the fact that immigration has not been measuring up to prewar levels. All our economic ills have been attributed to lack of population. Everyone agrees that the Dominion should have 25,000,000 instead of only 9,000,000 people. Successive governments have been repeatedly urged to loosen up the immigration regulations in order to facilitate the movement. Two years ago the Department of Immigration and Colonization entered into an agreement with the colonization departments of the two railways, whereby these organizations were to be allowed to bring forward agricultural workers from the other side on condition that they should be responsible for providing employment for the newcomers on arrival, and also provide a certain amount of after care.

* * *

THE rsults of this arrangement almost immediately became apparent. A new interest in Canada was awakened among Europeans. Larger numbers than heretofore came forward. All went well until this spring, when on account of unseasonable weather the immediate need for farm help in the West was not so pronounced, and the Department of Immigration and Colonization barred further immigration of central Europeans. This hasty action has resulted in disorganizing a service that has taken years to build up and one of the most promising movements since 1913 and 1914, has been definitely halted. How long it will take to build up a new interest in Canada is difficult of estimation, but it is certain that for the next two years the flow of immigration from these directions will only be a dribble instead of a strong, smoothly flowing stream.

* * *

IT IS time for this important work to be taken out of the hands of a department that is not in sympathy with the work. Hundreds of thousands of dollars have been spent on "immigration," but the returns from this expenditure have been such as to question the wisdom of continuing present activities. We have repeatedly urged the formation of a national body, independent of political parties and uncontaminated by mercenary motives to handle the country's immigration problem. This body should be composed of representatives of the Federal and Provincial governments, public organizations and should work in close harmony with the Department of Labor. Until this is done it will be a long, long time before Canada's population reaches the 25,000,000 mark.

Strong confirmation of The Financial Post's viewpoint in this regard comes from C. W. Peterson, a real spokesman for Western Canada in an article from his pen, which we publish in this issue.

* * *

SECOND thoughts on the recent news from Ottawa that Hon. James Malcolm, Minister of Trade and Commerce, intends to go ahead with a national effort at research and standardization lead to the belief that results can be achieved by such a work far beyond the present ambitions or aspirations of Canadian business men. It is fortunate that such a level-headed, aggressive type of individual as Mr. Malcolm will have in charge the handling of this great national project for it is certain to be conducted, under his

(Continued on page 8)

Two Wolvin Men Desert Besco Plan

National Trust Gets Support of Chairman of One Committee

OFFSETS ONE VICTORY

Hayden, Stone & Co. Step Into Fray with Promise of Cash from Unnamed Prominent Bankers

James Pow, chairman of the committee of second-preference shareholders of British Empire Steel Corp. writes to National Trust Co. that he has determined not to vote for the scheme of rearrangement proposed by Roy M. Wolvin, president, and approved by the committee of which Mr. Pow is chairman.

W. J. Hinphy, a member of the committee of first-preference shareholders, likewise has given a proxy to National Trust, it is announced, and asserts over his signature that on mature consideration he has determined that the plan of reorganization proposed by the management of Besco is not in the interest of the first preference or any other shareholders of the corporation.

Was Wolvin Man

Mr. Pow is reputed to have been selected by Mr. Wolvin himself as chairman of the first-preference committee. Mr. Hinphy likewise is said to have been a selection of the management. Mr. Pow and his immediate family are holders of 1,500 second-preference shares. Mr. Hinphy is the owner of 600 first-preference shares.

Both men in their letters assert that they were not in favor of a new capitalization of 1,000,000 shares of common of no-par value. Mr. Pow says that he "had no opportunity to vote against it."

"I think the fact that 65 per cent. of the stock is left unissued in the hands of the present management is dangerous," he adds, "because it means that the present management will have control over this large block of stock and it may be used to prejudice the position of the present shareholders."

"There is always a strong possibility," says Mr. Hinphy on this point, "that the future disposition of such a large block of stock may affect very unfavorably the position of the present shareholders, and I feel that the shareholders who at present control will be very unwise to give up their control without knowing what is proposed to do with the company."

Hold Majority in Treasury

The Wolvin plan of rearrangement of the capital of Besco was to authorize the issuance of 1,000,000 shares of common of no-par value. Of this total, only 35 per cent. approximately would be given to first-preference, second-preference and common shareholders of Besco in return for their old shares, which would be cancelled.

National Trust has criticized the leaving of 65 per cent. of the stock in the treasury on the ground that, once the plan of rearrangement had been sanctioned by the shareholders and approved by the court, the directors of the corporation could dispose of the unissued 65 per cent. of the stock in whatever manner they might see fit. This might be sold to an underwriting house for a comparatively small sum.

While it is recognized that new capital probably will be necessary eventually to promote the welfare of the corporation and its subsidiaries, critics of the reorganization plan are declaring that the rights of the shareholders are not safeguarded by any plan which leases a majority of

(Continued on page 16)

Sheer Stupidity Robs Canada of Promising Flow of Immigration

With Large Crop in Sight, Action of Department Officials in Cutting Off Central European Immigrants is Colossal Mistake — Continuity is Needed in Canada's Immigration Policy

By C. W. PETERSON,
Editor, Farm and Ranch Review, Calgary.

The larger immigration of agricultural people from Europe which has reached Canada this season through the efforts of the Canadian National and the Canadian Pacific Railway "farm labor employment organizations." has, on the whole, been readily absorbed by western farmers. What the labor situation would have been if this much needed help had not been forthcoming may be left to the imagination. It is safe to state that without the assistance of these 35,000 people the shortage in the western seeded area this year would have been vastly greater than the two million acres now standing to our debit compared with last year, and the whole of Canada would have suffered accordingly through diminished agricultural production.

Supplying Farm Labor

These railway employment organizations, it should be explained, bring people of various nationalities out in response to orders previously received from western farmers, who state in their applications the particular nationality they prefer. On arrival the laborers are sent to the applicants. This admirable system worked without a hitch last year, but, owing to the continued wet weather experienced this year and the resultant delay in farm operations, a number of farmers found themselves unable, and, in some cases, I regret to say, unwilling, to employ these men on arrival and a certain amount of congestion resulted at some receiving points, while other places were being found for the new arrivals, who are by this time fairly fully absorbed and doing their part in the agricultural life of the country.

Turning Off the Tap

The presence recently in our western cities of a few hundred men, without prospect of immediate employment, was the signal for the usual outbreak of hysteria. Labor organizations, city governments, patriotic societies and others, who should know better, immediately got busy with telegrams to the authorities protesting against bringing more people into the West and painting heart-rending pictures of the state of these unfortunate people, who, by the way, were being fed and cared for without public aid. Also, the railways had already taken steps to curtail departures from Europe to relieve the congestion and nothing further apparently needed to be done.

As a direct result of this ill-considered agitation, the Federal Department of Immigration (which might appropriately change its name to "Emigration"), needing little or no en-

(Continued on page 8)

Hayden, Stone & Co. Is Big U. S. Firm

From Our Own Correspondent.

MONTREAL. — Hayden, Stone & Company, the investment banking firm which has taken a hand in the big Besco battle, is comparatively little known to Canadian investors. The firm, though, is exceedingly well known in the United States. It is probably among the five largest investment houses in that country.

The head of the firm is Charles Hayden, who sits on the directorate of many well-known U. S. corporations, but is probably best known in Canada through his association with the International Nickel Company of which he is chairman of the board and chairman of the executive committee.

Sixtieth Birthday Sees Return to Gold Big Success in Canada

Sixty Years of Progress in Canada

—Chart by The Financial Post.

Accomplished a Year Ago With No Fuss or Fanfare

ON TOP OF THE WORLD

Several Times During Past Year Our Dollar Has Been World's Highest

By J. COURTLAND ELLIOTT.

Mr. J. S. Woodsworth (Winnipeg North Centre): Will the Minister of Finance (Mr. Robb) state whether on July 1st next Canada will revert to the gold standard, or is there to be introduced any legislation modifying the present Finance Act?

Hon. J. A. Robb (Minister of Finance): I have no intention of introducing any legislation, and automatically Canada will go on a gold basis on the 1st of July. —Extract from Hansard, May 31, 1926. Page 4011.

Thus informally did Canada revert to the gold standard a year ago. Had it been absolutely necessary, Canada could have tied up with gold three years ago, and could have been the first nation in the world, outside of the United States, to proclaim publicly that the paper currency was "as good as gold."

Always Able to Make Good

Instead of making the leap from paper to gold, which has been so difficult for a number of countries, we bided our time, and it is a matter of gratification that, except for a mistaken notion that arose in New York last March, there has never been any public apprehension as to our ability to stay with the gold standard.

To-day, a year after the event, we are impregnable with respect to gold. The reversion to the gold standard brought none of the business unpleasantness that is sometimes incident to the deflation to gold, because Canada had already undergone business liquidation. We have over $300,000,000 of

(Continued on page 13)

STORE RUMORS GIVEN QUIETUS BY OFFICIALS

Canadian Department Stores Receive Offer But It's Not Simpsons

It is understood that an attractive offer has been received by Canadian Department Stores for the purchase of the common shares of the corporation. The name of the would-be purchasers of this recent merger of Ontario and Montreal department stores has not been revealed.

One report linked the name of the Robert Simpson Company with the offer, but officials of that organization deny that they have made any offer.

On a number of occasions the names of the two organizations have been linked together. This may be due to the fact that one of the stores that came into the merger was that of Dundas and Flavalles, of Lindsay, controlled by a brother of Sir Joseph Flavelle, chairman of the board of the Robert Simpson Company, and also to the additional fact that the president and general manager of Canadian Department Stores was formerly assistant general manager of the Robert Simpson Company. There is no connection between the two organizations.

Questioned regarding possible expansion plans of his company, in view of the recent activities of their chief competitors, the T. Eaton Company, a high official of the Simpson organization stated that the company had no such extensions in mind, whether by way of purchase of new stores throughout Ontario, by way of a new store building in Montreal or in other directions.

Among the many rumors concerning store developments in Canada that have been going the rounds was one to the effect that the Hudson Bay Company planned to purchase the Simpson business in order to enter Toronto and Montreal without building new stores. This has been denied to The Financial Post by both the Simpson organization and the Hudson Bay Company in Winnipeg It will be recalled that George W. Allan, chairman of the Canadian committee of the Hudson Bay Company, recently denied through The Financial Post that his company planned to expand into the east. Mr. Allan is now in Europe but the Canadian head office of the company in Winnipeg stated that it was exceedingly doubtful if any move of the kind mentioned in the rumors was even contemplated.

Investor's Index

Alex. Apts.	12	Imperial Oil	16
B. C. Elect	4	King Edward	4
Besco	1	Mackay	8
Calgary Power	8	McColl Bros.	12
Can. Dept. Stores	1	Nfld. Power	14
Can. & For. Sec.	4	Parisian Laundry	12
C. West. Gas	4	Prov. Paper	24
Can. West Lum.	4	Simpson's	1
City Dairy	11	Trust & Loan	4
Dom. Steel	9	Twin City	11
Gurd & Co.	12	Wpg. Elect.	4

MINES

Argonaut	17	Lebel Lode	20
Bush Consol.	17	Marriott	17
Can. Lorrain	19	Noranda	17
Keeley	19	Nugget	19
Kirk. Lake	18	Providence	19

REGULAR DEPARTMENTS

Banking 23
Insurance 22
Business 6
Pulp and Paper 14
Women's Investments 11
Editorial 10

SPECIAL FEATURES

Canada in 1867 and Canada Now 1-2-3
Hartley Withers Discusses the Gold Standard 7
Sketch of Dr. Robert Magill........ 10
C. W. Peterson Condemns Policy Which Stops Flow of Immigration 1

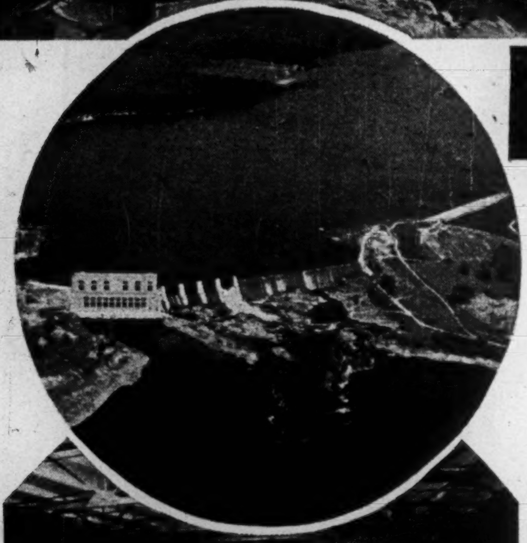
Pictures That Tell of 60 Years' Progress

Canada Builds Stable Income on Diversified Resources

Pictures That Tell of 60 Years' Progress

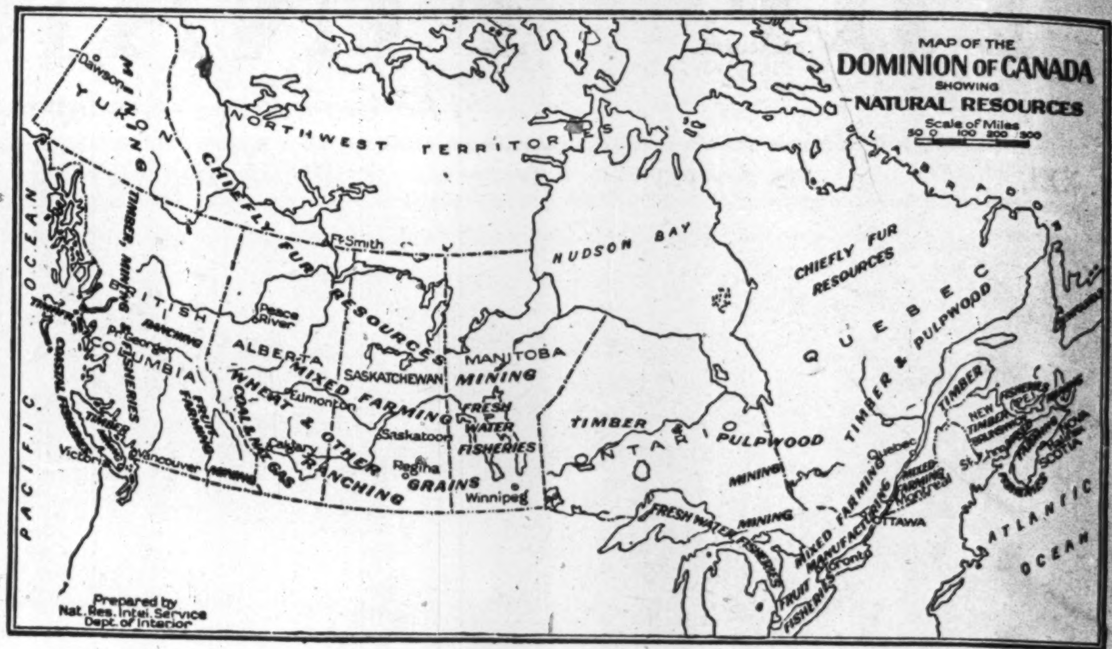
Canada's greatest manufacturing industry is now the production of pulp and paper which had its start on this continent in a small Canadian mill erected over a century ago. Photograph at the LEFT shows the Eddy and Booth paper and lumber plants at Chaudiere Falls, between Ottawa and Hull.

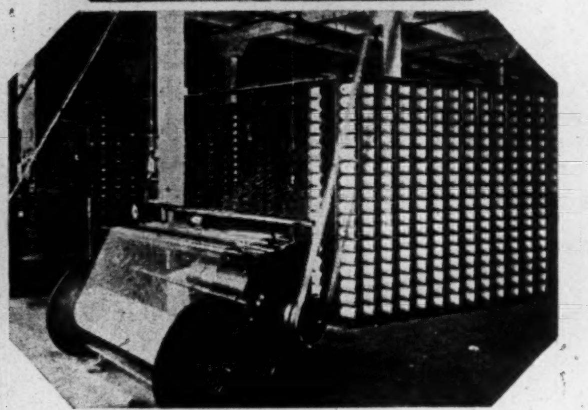
—FAIRCHILD AERIAL PHOTOS.



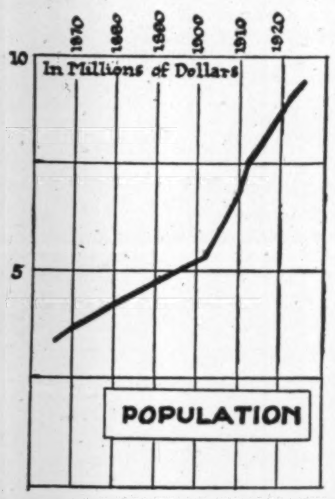
There are cement plants in different parts of Canada catering to the needs of Canada's construction industry. ABOVE the National Cement Company plant at Montreal East.

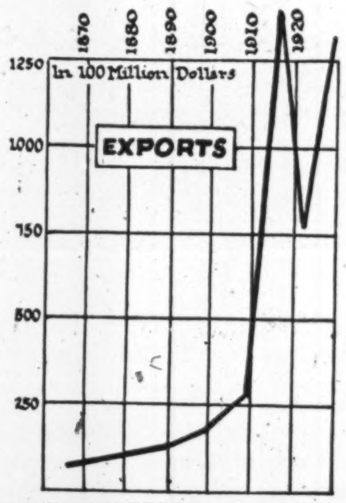
LEFT is shown one of the water power plants that are the basis of Canada's industrial expansion. Plant shown is that of the Southern Canada Power Company at Hemming's Falls, Quebec.

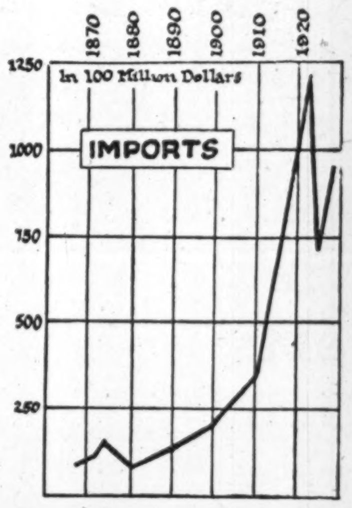


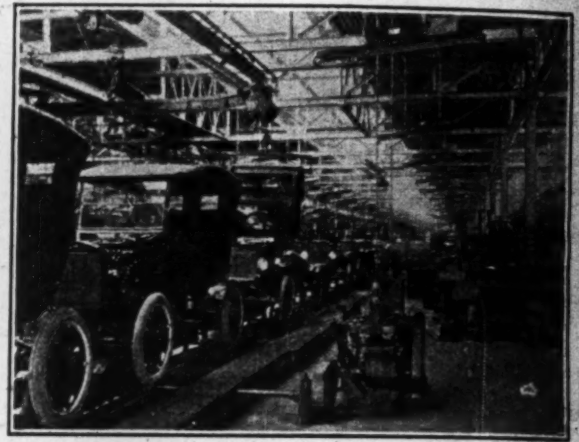


Industries built on Canada's natural resources and industries drawing their raw materials from abroad thrive side by side in Canada. ABOVE are interior views of the shipping room of a Canadian paper mill and the warping room of a linen mill.





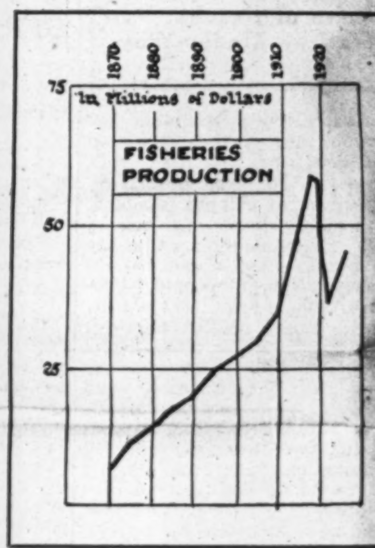


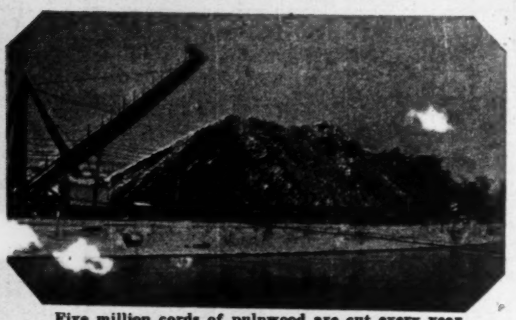


Confederation knew not the automobile. In a few short years the automobile industry in Canada has grown to immense proportions. Interior of Ford plant at Ford City is shown.

—FAIRCHILD AERIAL SURVEYS.

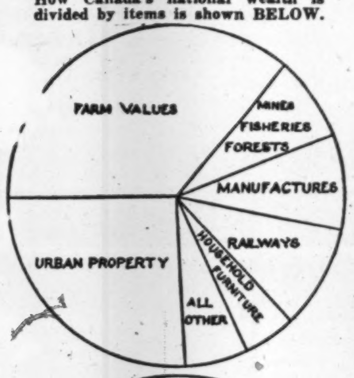
Many of Canada's industries have grown on the foundation of agricultural production notably the live packing business. The striking air view ABOVE depicts the Toronto Union stock yards at Toronto, one of the world's largest, and several large packing plants—Gunn's, Harris, and Swift Canadian.

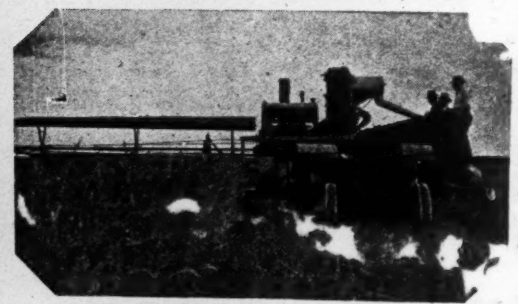




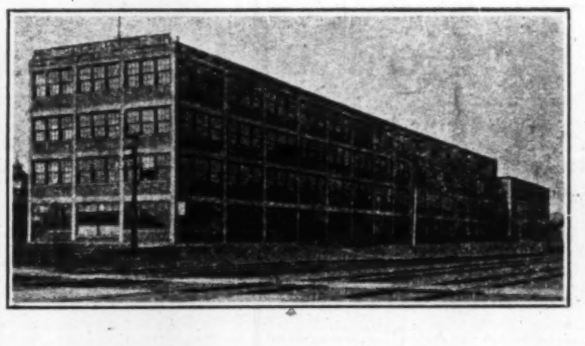
Five million cords of pulpwood are cut every year in Canada and turned into gold for Canadian workmen and investors.

How Canada's national wealth is divided by items is shown BELOW.

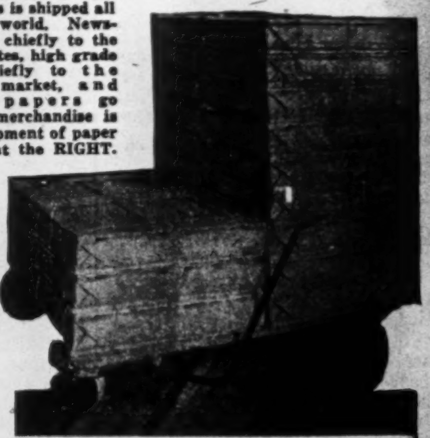




Canada has developed new farm machinery to meet the needs of its great agricultural growth. The new reaper-thresher of a Canadian company is shown at work in western wheat fields.



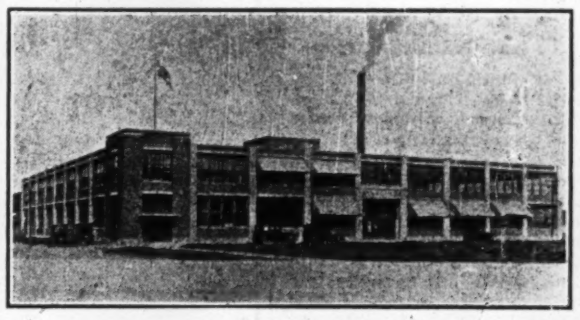
Paper produced in Canada's plants is shipped all over the world. Newsprint goes chiefly to the United States, high grade papers chiefly to the Canadian market, and wrapping papers go wherever merchandise is sold. A shipment of paper is shown at the RIGHT.



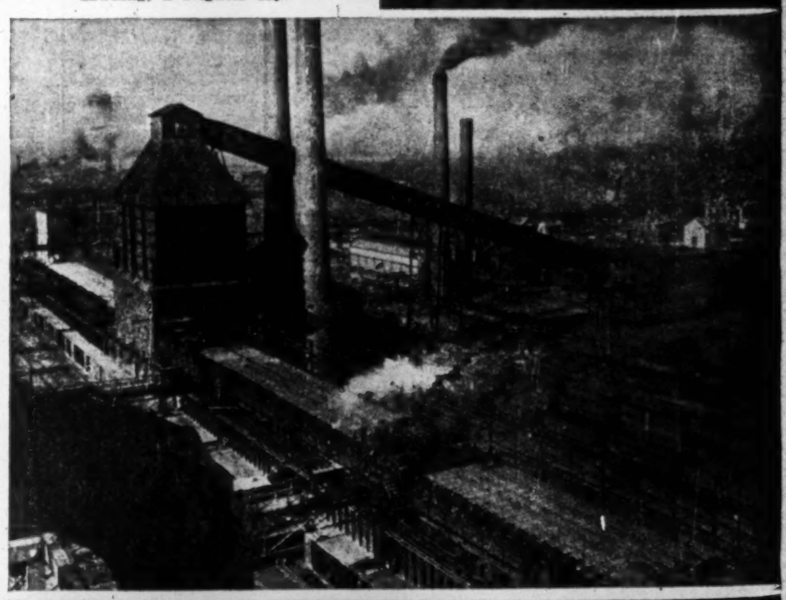
The iron and steel industry of Nova Scotia has grown up entirely in the period of Confederation. The twin pillars that hold up the industry are coal and iron ore. The coal is Canadian; the iron ore is British, coming from Newfoundland. And while the industry has not had a uniform record of prosperity, Jubilee Year seems to see a new day dawning, a brighter day.

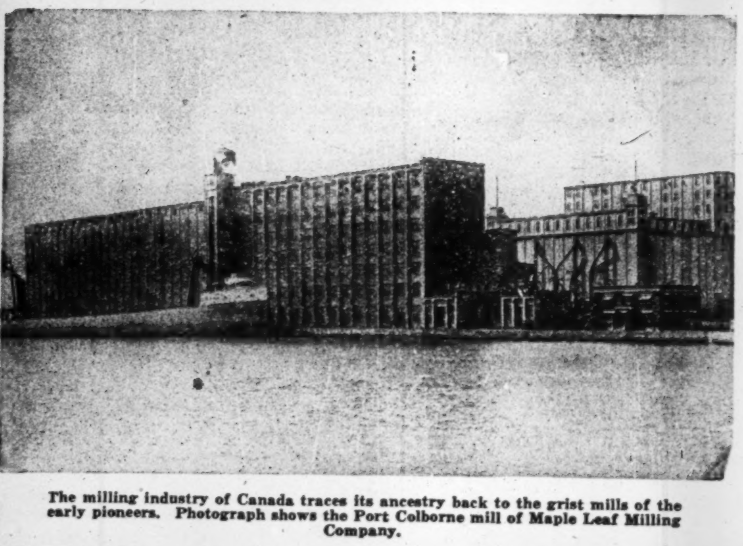
Canada's national wealth is estimated at $22,000,000 or over $2,500 per capita making Canadians among the world's richest peoples. Distribution of this wealth by provinces is shown ABOVE.

Cheap power alone built this plant, that of the Canada Carbide Co. at Shawinigan Falls, P. Q.

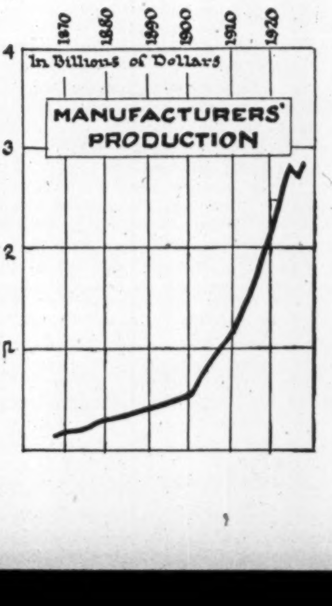


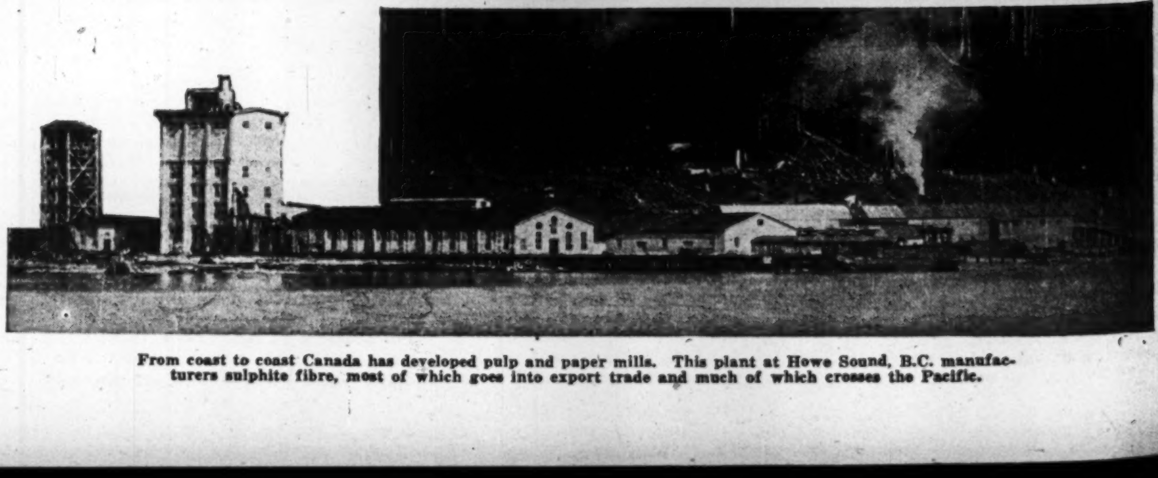
In the field of general manufacturing, Canada has made notable progress and factories similar to these two in the Border Cities of Ontario are numerous. UPPER picture shows the Walker Power Building leased to a number of different manufacturers and LOWER picture the Canadian plant of Burroughs Adding Machine Company.





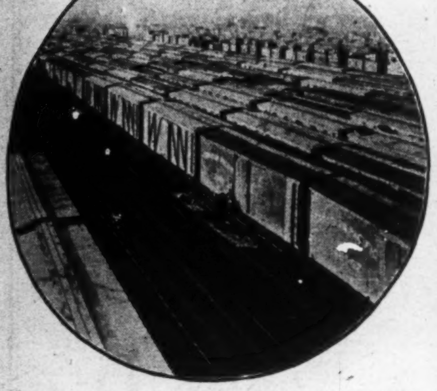
The milling industry of Canada traces its ancestry back to the grist mills of the early pioneers. Photograph shows the Port Colborne mill of Maple Leaf Milling Company.





From coast to coast Canada has developed pulp and paper mills. This plant at Howe Sound, B.C. manufacturers sulphite fibre, most of which goes into export trade and much of which crosses the Pacific.

Canada's Transportation Systems Vital Factors in Her Growth

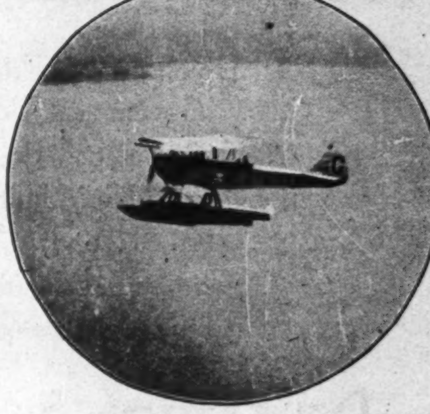


Winnipeg is one of the world's great transportation centres today although at Confederation it was unknown. Photograph at LEFT shows Winnipeg railway yards.

—C.N.R. PHOTO.

—C.P.R. PHOTO.

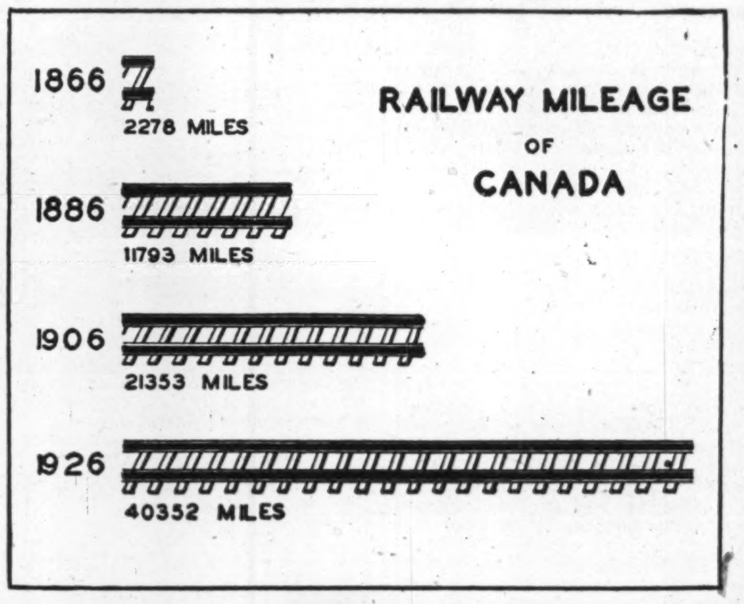
At Confederation, Canada did not do more than dream of transcontinental railways. Now it has two powerful systems and over 40,000 miles of track. A crack C. P. R. cross-Canada train is shown above.

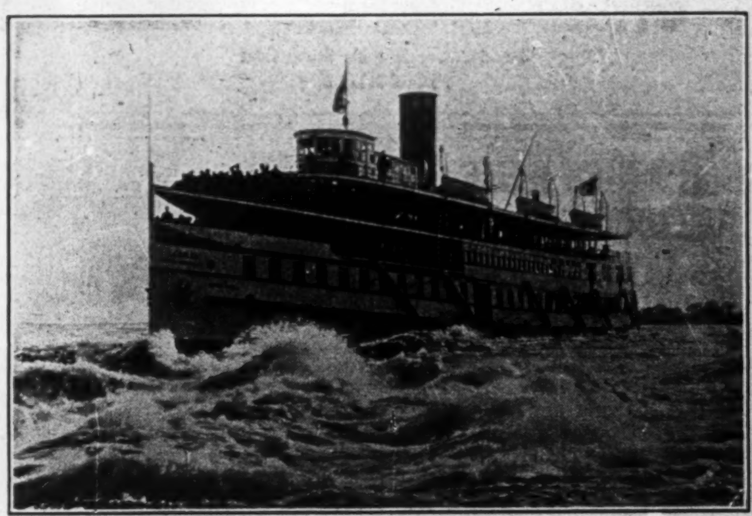


Commercial aviation is developing in Canada providing a transportation service the Fathers of Confederation could not envision. A Fairchild Aerial Surveys 'plane is shown.

—FAIRCHILD PHOTO.

Canada's Indian trails and pioneer pathways through the bush have become 60,000 miles of improved highways over which bus and truck transportation has developed to immense proportions.





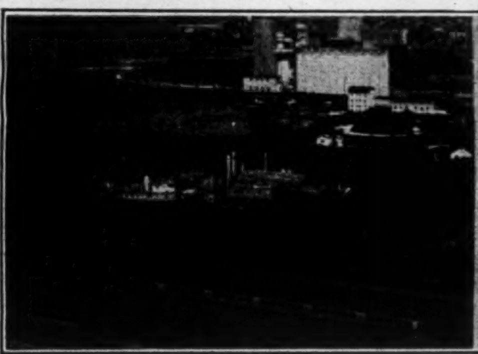
On the Great Lakes, the St. Lawrence River, in the Kootenay Lakes, wherever inland water provides safe transportation, Canada has passenger and freight boats providing service in the development of the nation.

A Canada Steamships Line passenger steamer is shown shooting the Lachine Rapids, near Montreal.

On either coast Canada has modern well developed harbors on which millions of dollars have been spent and which are scenes of great activity suggesting the important part Canada plays in the world's trade. BELOW, Vancouver harbor. RIGHT a C.P.R. Empress boat in the trans-Pacific trade.

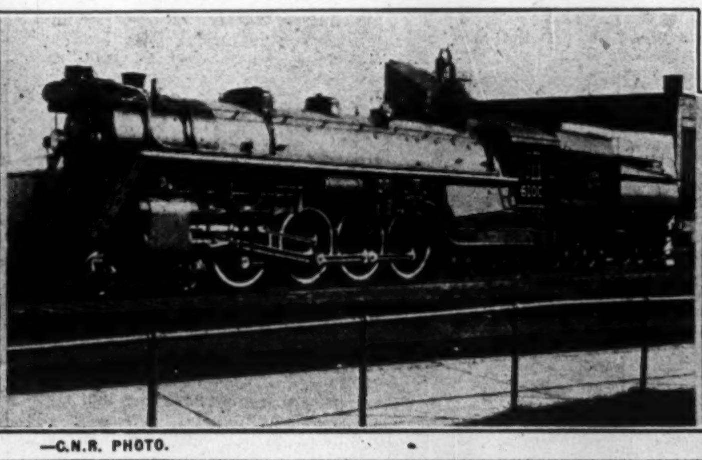
Canada's railways are always in the lead in their equipment as witness the mighty locomotive to the LEFT just put into service on the Canadian National Railways. It is the largest locomotive in the British Empire.

BELOW is a small section of the harbor of Montreal, one of the world's great ports.



—C.P.R. PHOTO.

—C.P.R. PHOTO.



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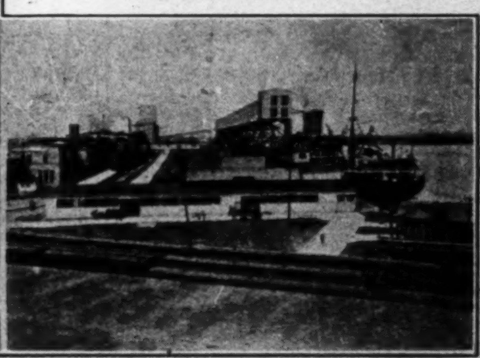


ORILLIA

The Home of Cheap Power and Contented Labor

Once the Scene of some of Canada's Most Dramatic History Now Offers Outstanding Inducements to Canadian Manufacturers

ORILLIA marks the site of Cahiague, the capital of the Huron nation. Here Champlain spent the winter of 1615-16, the first white man to reach this territory.

This beautiful monument commemorates the event.

IT IS entirely fitting that Orillia should have its place in a Jubilee issue, for it was from the Town of Orillia that the suggestion of a Jubilee celebration sprang, and it was through the energetic efforts of many of its businessmen in appealing to lieutenant governors, civic and government officials and service clubs that the idea was given its initial impetus.

Orillia has a history that rightly gives it a place in any such movement. It is justly proud of this history. But Orillia is forward-looking. It has a promise and a prospect of becoming a still larger factor in the present-day history of the country by reason of its outstanding advantages as an industrial centre.

IT HAS TO OFFER

Plant locations strategically located on two railroad lines, with access to the Trent Canal, and served by a network of splendid roads. These locations are to be secured at nominal cost. Taxes on these properties are low, and the town offers a fixed assessment over a period of years to new industries.

Low Power Rate. The Municipality owns and operates its own power plant, and offers the cheapest power available anywhere. For a 10-hour service the charge is $11.90 per h.p. per annum, while for a 24-hour service the charge is only $16.15. And this for power that is actually available at the present time. Factory lighting costs only 85 cents per 60 watt lamp per annum.

Labor conditions are peculiarly satisfactory. There has never been any labor trouble in the town. There is ample labor available, and it is settled labor, for 85 per cent. of the workers own their own homes.

As an export point, Orillia enjoys a favored location, being in zone two which is 13 miles closer to Montreal by rail than Toronto.

The town has splendid water and sewerage facilities, and ample fire protection assured by modern fire fighting equipment. Among certain parcels of land that the town has available are some already served with sewerage. Water rates to factories run as low as 8 cents per 1,000 gallons. Insurance rates in Orillia are at a minimum, due to the fact that, over a period of ten years, the fire loss has been extremely low, less than $10,000 per year.

A wide diversification of existing industries make for stability in the business and labor situation. In the forty odd manufacturing plants there are almost as many industries represented, though a number of them take advantage of the great resources of hardwood that are to be found close to the town.

All these and other factors make Orillia a place well worth the studied interest of anyone who is interested in new plant development or plant extension.

Visit Orillia Now and See for Yourself What it has to Offer in Magnificent Summer Home Sites and Industrial Opportunities

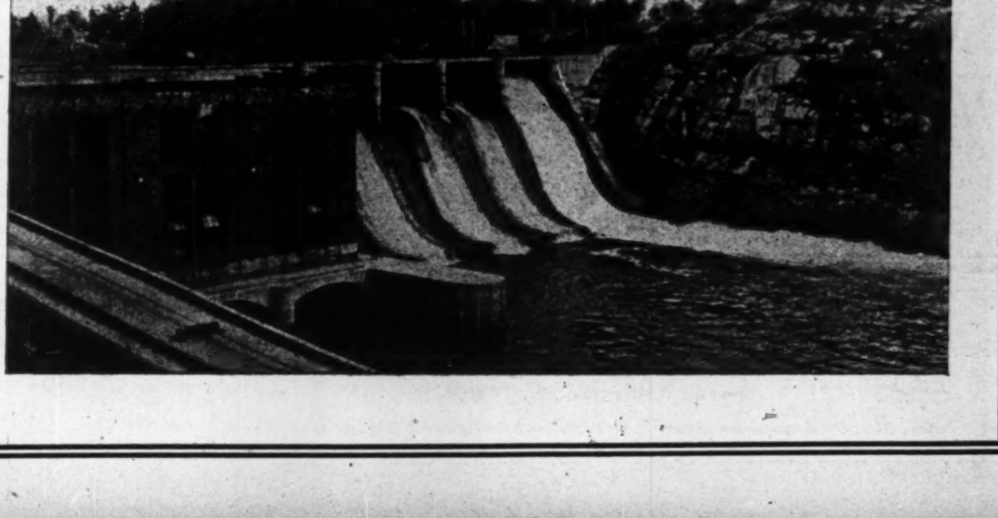
AT THIS time of the year people's minds turn naturally to the beautiful northern sections of Ontario. Few if any places have more to offer than Orillia. Situated on a narrow neck of land between lakes Simcoe and Couchiching it has 13 miles of lake shore within its own limits. Anyone looking for a delightful summer home location, could hardly find anything more desirable. Orillia is served by two Provincial highways, and can be reached by a two-hour drive from Toronto, while in addition to the lakes and rivers about it, the Trent Canal opens a clear road to the Great Lakes.

Orillia is reached by both the Canadian National and Canadian Pacific Railways, and by bus line from Toronto. The town itself offers every conceivable advantage for comfort and safety. It has splendid churches of all denominations, the finest town Y.M.C.A. in Ontario, and all forms of amusement including a splendid golf course within the town limits.

These are conditions that make for a delightful summer home or for a year round home for those who follow new industries here.

There are three hotels in the town and several summer hotels on the narrow strait connecting the two lakes. And there are splendid sites for cottages or summer homes with delightful lake frontages.

To anyone who contemplates the erection of a summer home, or is considering possible Industrial Locations, Orillia would urge that you come to see the splendid advantages we have to offer.



For information relative to Industrial Opportunities Consult

R. H. Starr, Industrial Commissioner

For Summer Plans Write

George J. Overend, Sec. Board of Trade

ORILLIA - ONTARIO

Dominion and Provincial
Government Bonds
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DOMINION SECURITIES CORPORATION LIMITED
MONTREAL OFFICE 189 St. James Street | Established 1901 E. R. WOOD, President | LONDON, ENG., OFFICE No. 6 Austin Friars
Head Office: 26 King Street East
TORONTO 2

COMPANIES HERE RETURN GREATER RATE TO BRITONS

D. B. Hanna, A. J. Mitchell Are Directors of British Empire Trust

The annual meeting of the shareholders of British Empire Trust, recently held in London, occasioned a number of comments from the deputy chairman and managing director, J. Davidson, respecting affairs in Canada. The trust has large investments in British Columbia Electric Railway Co., Winnipeg Electric Co., Canadian & Foreign Securities Co., Canadian Western Lumber Co. and Canadian Western Natural Gas Co.

D. B. Hanna and A. J. Mitchell are the two Canadian directors of British Empire Trust and the managing director notes that it is because of the information obtainable from these resident directors that the trust has been markedly successful in its Canadian investments. The dividends were increased, from 5 to 6 per cent. on the preferred ordinary shares and from 7 to 8 per cent. on the deferred ordinary shares.

Following are excerpts from the report of the meeting which appeared in the London Times:

British Columbia Electric

The British Columbia Electric Railway Company, Limited, for the past 30 years has continued to grow in size and importance until the capital involved has now reached some $60,000,000, mostly held by investors in Great Britain. The city of Vancouver, which is the main centre of the company's activities, continues to grow in size and importance and—great already—is destined to become a very great Empire city. The remarkable growth of Vancouver and surrounding territories is illustrated by the figures of business done by the railway company during the past year.

Passengers carried were 72,547,367, as against 69,779,475 in the previous year.

Canadian Western Lumber Co.

The report of the Canadian Western Lumber Co. for 1926 is a satisfactory one. The company has further strengthened its position. Arrears of sinking fund in respect of the first mortgage debenture stock have now all been provided, so that in future substantial profits, which in the past have been required for other purposes, will become available for the payment of current interest on the five per cent. cumulative income debenture stock and, to the extent available, for making payments on account of the arrears of interest on that Debenture.

The extent to which such interest payments can be made will depend upon the results of each year. Since the beginning of the year there has been a reduced demand for lumber, and sales for the first four months show a decrease of 8,672,243 feet, as compared with the previous year. It should be remarked, however, that the lumber business is peculiarly liable to ups and downs and, although the profits for 1927 may not equal those of 1926, there is no reason to anticipate that the results will be other than satisfactory.

Winnipeg Electric Company

During 1926 Winnipeg experienced a continuation of general improvement in business conditions, which reflected favorably upon the Winnipeg Electric Company. The company carried more passengers than in the previous year and its gross receipts were higher. Working expenses were higher owing to more vehicles being operated to cope with the increased traffic, but net earnings showed an increase of $201,840 over 1925. The dividends on the preference and ordinary stocks were maintained at 7 per cent. and 2 per cent. respectively.

There is a great deal of activity in mining areas around Winnipeg, and there are other signs of increased business activity which should favorably react on the 1927 operations of the company. For the first three months of the year the net earnings have increased by $37,052, as compared with the previous year.

Canadian & Foreign Securities

In November last a voluntary scheme of reorganization was submitted to the shareholders of the Canadian Northern Prairie Lands Co., under which shareholders received, in respect of each $5 ordinary share in the Canadian Northern Prairie Lands Company, $4.50 in cash, by way of return of capital, $4 in 6 per cent. first charge debenture stock, and one share of no par value in a new company, called Canadian & Foreign Securities Co.

Briefly, under the arrangement the cash and the new securities received by the shareholders of the old Canadian Northern Prairie Lands Company, Ltd., represented exactly, in another form, the same assets as were represented by the shares of the old company.

The scheme, which was unanimously approved by the shareholders of the old Canadian Northern Prairie Lands Company, was most advantageous to them, and we anticipate an equally successful future for the new Canadian and Foreign Securities Company, which is under the same able board of directors who made the Prairie Lands Company such a marked success.

Canadian Western Natural Gas.

The interest of investors in this country in the above company is now confined almost entirely to their holdings of the company's five per cent. first mortgage debenture stock. The amount of debentures now outstanding has been reduced from £924,656 to £257,941, and the latter amount is being rapidly reduced by sinking fund. With the Foremost and Turner Valley gas fields of the company now in operation, the company is assured of adequate supplies of gas to meet the requirements of its consumers, but to ensure a continuous supply in furtherance of the company's policy, a search for a further source of supply took place during last summer, and it is believed that a gas field has been located south-east of Lethbridge.

The debenture-holders are therefore in the happy position of having a satisfactory investment, the repayment of which in due course may be relied upon with confidence.

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TORONTO

Nipigon Corporation Will Erect Mill Next Year

From Our Own Correspondent.

MONTREAL.—It is understood that the construction work on the new newspaper mill of the Nipigon Corporation will begin next year. The site of the plant is in Port Arthur, Ontario, and the company has made application for the approval of its site and has agreed to the terms of its power contract with the Ontario Hydro-Electric Power Commission. Under the terms of this contract, the commission will not deliver power much before 1930, when the Nipigon Corporation must be ready to accept delivery. It will take about a year and a half to construct the new mill, and thus the plans of the Nipigon Corporation will conform to the power development plans of the Hydro-Electric Commission.

STERLING APPRAISAL COMPANY
LIMITED
9-11 E. Wellington St., TORONTO
Sterling Security Reports are prepared by Registered Professional Engineers

Stock Market

Fear Groundless for Investors in Good Grade Stock

Loss of confidence temporarily on the part of the buying public probably has more to do with the present situation in the Canadian stock markets than anything else. This loss of confidence followed a period of uncertainty in New York and the discovery on the part of Canadian banks that a great deal of money was loaned on stocks which had risen in almost spectacular fashion in the last few weeks or months.

Brokers' loans in New York have been expanding. One of the principal reasons was the mass of refunding operations in connection with bonds and the remarkable number of new bond issues in the States. Just as this explanation began to give the market greater confidence, there was a tightening in money rates by one-half of 1 per cent.

It is considered improbable that dearer money will continue beyond the earlier days of July, when dividend requirements for the half-year will have been largely met, although it must not be overlooked that, with the approach of the harvest, there will be a diminished flow of cash from the interior to New York. The general business situation south of the boundary is somewhat spotty, it is admitted, but a fairly high average prosperity is expected to be maintained through the summer and perhaps through the fall. Col. Leonard Ayrs of Cleveland, one of the most astute observers, declared in a recent statement that he failed to discern signs of trouble ahead.

In Canada, the general opinion is that the country is due for one of the best, and perhaps the best, periods in its history. That period may last ten years. The prairies a few weeks ago were somewhat pessimistic as to the crop outlook, but this pessimism has vanished with the clouds and a good, and possibly excellent, season is now forecast.

Fundamentally there is nothing wrong with the economic outlook for the Dominion. Fundamentally, therefore, there is nothing wrong with the Canadian investment stocks. From time to time, there will be instance of stocks rising too rapidly and there will be periods of technical readjustments in the stock market, just as we are experiencing at present. But the investor really has little cause to worry if he is reasonably cautious in selecting stocks in companies which are manufacturing or marketing commodities or services essential to, or popular with, the consuming public.

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	5	—	4	9
Paper	7	4	4	15
Steel	6	9	24	30
Foodstuffs	8	19	19	46
Utilities	3	14	12	29
Tractions	4	3	7	14
Industrials	4	16	36	56
Textiles	3	4	10	17
Total	40	69	116	225

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of June 28	97.7	93.8
Week of June 22	99.3	95.9
Month of June, 1926	77.5	73.1
9 Bank Stocks		
Week of June 28	$252	$249
Week of June 22	249	246
Month of June, 1926	225	226
10 Public Utilities		
Week of June 28	111	106
Week of June 22	113	111
Month of June, 1926	95	90

Saskatchewan Field Crops Making Splendid Progress

From Our Own Correspondent.

Crops have made good progress during the last two weeks, according to telegraphic reports received by the Saskatchewan Department of Agriculture. The condition of the wheat is generally reported good, although some add that it is somewhat late. Coarse grains, although late in many cases, are coming on well and showing good growth. Cut worms have been observed in some districts, and slight damage is reported to gardens and crops, but on the whole the damage is not material. With a few exceptions, the ground is well supplied with moisture, and several districts have benefitted by recent showers, which, in some spots, were exceptionally heavy, but in many cases, however, they were accompanied by hail which did some damage. Pastures have, under favorable conditions, made excellent growth. Summer fallowing is proceeding in all districts, and is now well under way.

Laurentide Shares do Well in Market Slump

From Our Own Correspondent.

MONTREAL. — Despite the market slump of the past week, and despite the fact that there is reputed to be a large short interest in the stock, the shares of Laurentide exhibited a strength which must have proved surprising to the short interests, and which is not without significance.

While Laurentide was slightly weaker, its minor decline was not comparable to the big slump taken by many other industrials. This seems to indicate that around present levels Laurentide has reached its low point.

Laurentide was not the only newsprint company which was able to survive the slump with but a minor decline. Most of the newsprint stocks acted remarkably well. Current rumor indicates, however, that Laurentide is the only newsprint stock in which there is any short interest at the present time. Thus its action is more significant and more gratifying to the holders of the shares.

Canada Carriage Earnings Not Up to $100,000 Net

Report that Canada Carriage and Body Company would earn $100,000 net this year, after paying fixed charges, are denied by officials. Company's year closes on July 31, and final results are not yet available. It is stated though, that net earnings will not approach $100,000.

Trust and Loan Head Remarks Year's Progress

At the annual general meeting of the Trust & Loan Co. of Canada, held in London recently, Col. the Hon. Sidney Peel, D.S.O., president, remarked that the company had done better in 1926 that he had anticipated, owing to the receipt of cash on account of arrears. The company received £255,300 in interest account, which was an increase £4,500. He continued his remarks as follows, as reported in the London Times:

I would call attention to the fact that we have paid for the whole of the losses incurred during the year on realization of land investments out of the year's profits. These losses we are entitled to charge to the account of the reserve fund, but we think it a more prudent course to meet them as we have done. In normal years a charge of £10,000 for this purpose would be a great deal too high, but we are still suffering from the misfortunes that followed the war. It is rather disappointing, nevertheless, to find that the total of our land investments remains at nearly the same figure as last year, or a little more. Any precise estimate as to losses that may be expected from these investments is hard to form. There will be profitable as well as unprofitable investments among them. A real rise of the tide in the Canadian West would make all the difference, and there are many signs of such a rise. All I can usefully say on the point of losses is that we are of opinion that, whatever estimate of possible losses may be made, we have in reserve far more than enough to meet them without the least difficulty.

King Edward Profit Continues to Ascend

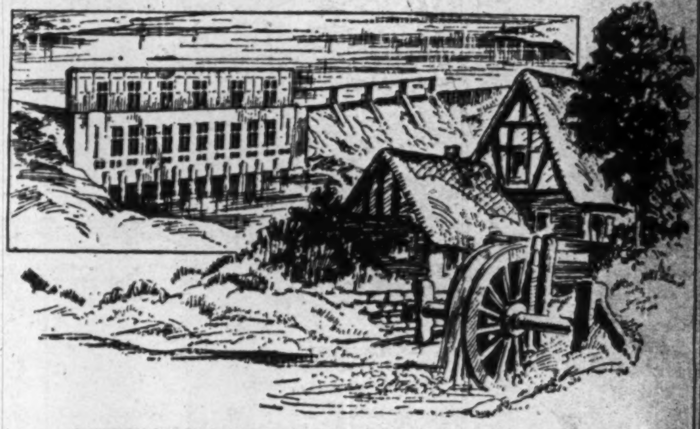
Net earnings of King Edward Hotel Co. for the five months of 1927 ended May 31st were $68,000. This compares with a deficit of $32,000 in the corresponding period of 1926.

It is expected that the net earnings for June will be about $30,000. This will bring the net for the half year to a rate of $5 per share on the 20,000 shares of common stock outstanding.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bdge 7s '55	107¾	108¾
Do., 8s '45	107	108
Buff Gen Elec 1st 5s '39	103½	...
Bfo N & E Pow 5s '30	102	103½
Lockport L H & P 5½ '54	103½	...
N. F. 1st & Com. 6s 1950	105	106
Niagara Falls Pw. pf.	28¼	29¼
Niag. Lock & Ont. pf.	113	115

1867 SIXTY YEARS OF PROGRESS 1927



WATER POWERS

Tallow dips and oil illuminated the labors of Confederation, but distant falling waters driving quietly humming turbines will both literally and figuratively make the Jubilee celebrations a blaze of glory.

Canadian water power developments have contributed in no small measure to the up-building of our vigorous young nation, whose sixtieth birthday we celebrate on July 1st.

The per capita consumption of electric power is now one of the barometers of prosperity, and it is significant to Canadians collectively and the individual investor that in this respect Canada now leads the world.

NESBITT, THOMSON & COMPANY
LIMITED
Royal Bank Building, TORONTO, 2
Montreal Quebec Ottawa Hamilton
London, Ont. Winnipeg
391

FIRST MORTGAGE BONDS

Standing on the Threshold

CANADA, though for sixty years a united Dominion, to-day stands only upon the threshold of her destinies.

Great tracts of virgin timber—undiscovered mines of mineral wealth—unharnessed water powers—vast areas of fertile soil awaiting the sower and the reaper—cities rising —such things as these speak of a future that may be greater than has ever been.

It is a matter of pride that into the foundations of that greatness there has already gone so much of the enduring materials of pioneer courage, of the vision of builders, of the willing toil of industry, of the integrity of lawgivers, and of the ideals of brotherhood and fair dealing between man and man everywhere.

To-day, also, this Company is standing upon the threshold of its future.

It, also, has been founded in pioneer courage, in the vision of builders, in the willingness to serve, in integrity and the highest ideals of fair dealing.

As a lesser to a greater, then, though of one kin and spirit, we tender to our beloved Dominion congratulations on this, her sixtieth anniversary; our fondest hopes for the realization of every noble promise of her future; our labors and our fealty through the coming years.

United Bond Company, Limited
HOWARD C. WADE, *President*
Wm. BROWN, *Vice-President and Manager*
297 Bay St., Toronto, Ont. | Imperial Bank Bldg., Windsor, Ont.

SCOTLAND YARD TRAILS CROOK WHO FLEECED BRITISH

Young Canadian Operator is Sought at Instance of English Investor

Scotland Yard detectives are now investigating the alleged operations of a Canadian crook who defrauded many British investors in bogus operations purporting to have been carried on through a member of the Toronto Stock Exchange. Acting specifically in the interest of a wealthy British investor, who is declared to have lost no less than £130,000 through the smooth young fleecer in question, the Metropolitan Scotland Yard men are on the trail of the promoter.

The operations of this crook were told in some detail in The Financial Post last week.

As further details of the story become available it grows in interest and as a cause for wonder as to the ease with which intelligent investors can become the prey of designing crooks. It is stated that the young man in question was introduced into the highest circles of London Society by a lady high in court circles, who agreed to accept a secret honorarium from him for performing this task. Incidentally it is stated that she did not receive her money. Apparently the crook fleeced even his own confederates.

She was not the only woman mixed up in the case. The operator evidently took advantage of the confidence that various women reposed in him to make use of their money or their family connections in his nefarious work.

A London bank, with strong connections in Canada, is said to have guaranteed his signature without question, and to have assured inquirers that they knew him to be connected with the Canadian stock house, whose name he used.

Public exposure of the whole affair is anticipated shortly.

Lay Sun Life London Stone

It is on Canada's Jubilee Confederation day that T. B. Macaulay, president of the Sun Life, will lay the corner stone of the company's new building in London, Eng. The building adjoins Canada House, the headquarters of the Dominion government in Canada, and overlooks Trafalgar Square. It is part of a plan whereby a purely Canadian group of buildings may be developed in this section of the metropolis. The structure will be nine stories in height, and have a frontage of 108 ft. on Cockspur St., and 105 ft. on Pall Mall. Hon. P. C. Larkin, Canadian High Commissioner, will assist in the ceremony of laying the stone, and the Canadian Department of Insurance will be represented by G. D. Finlayson, superintendent of insurance for the Dominion.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & 1 com.	3¾	4½
Can. Machinery, com.	5	..
Can. Westinghouse, com.	150	..
Chase, A. W., com.	5	..
Do., pref.	..	75
Goodyear Tire, 6% pref.	100	100¼
Goodyear Cotton, pref.	97	..
King Edward Hotel, Deb. B	.	62
King Edward Hotel, Deb. A	69	73
Farmers Dairy, com.	67	..
Loew's Buffalo, pref.	35	39
Nat. Grocers, 1st pref.	93½	98
Nat. Grocers, com.	..	3
Continental Life, 20% paid	50	56
Crown Life	190	..
Empire Life	29	30
Excelsior Life, 30% paid	80	88
Great West Life	425	..
Monarch Life, 10% paid	38	42
Mortgage Discount, pref.	6½	7¼
Ontario Equitable	29	32
Security Life, 40% paid	..	20
Sun Life, 75% paid	900	1100
Toronto Finance, pref.	3½	..
Canada Life	875	1100
Farmers Dairy, pref.	100	103
Dom. Combing Units	12	..
Fanny Farmer, com.	28	29
Do. pref.	29	30

Stock Market Record

WEEK ENDING JUNE 27

	Div. Rate	Yield June 25	High for wk.	Low for wk.	Close June 27	Close June 21	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.20	251	246	251	245½	207	251	228
Dominion	12+1	5.31	244	240	242	242	38	244	217
Can. Nationale	10	6.13	165	163	165	165	29	165½	160½
Imperial	12+1	5.74	226	224½	225	225	113	226	214
Montreal	12+2	4.66	301	299	301	299	367	301	272
Nova Scotia	16	4.85	335	330	335	325¼	27	335	298
Royal	12+2	4.89	288½	286	286	286	113	291	257
Standard	12	5.85	206	204½	206	208	21	207	196
Toronto	12	4.89	248½	243½	248½	243	170	248½	227
Paper—									
Abitibi, com. (no par)	5	5.31	94	92¾	93	92¾	1174	97¾	82
Do. pref.	7	5.98	..	...	...	...	...	119	113
Belgo-Can., pref.	7	6.79	103	102	102¼	102	241	105	101
Brompton (no par)	$2	6.25	32½	32	32½	32	1835	35	31
Fraser, pref.	7	7.21	97	96½	96½	99⅞	22	99⅞	96½
Inter. Paper, com.	$2	4.39	45½	41⅛	44¾	42¾	29000	60⅞	39½
Laurentide	6	6.59	91	90½	91	90½	883	110¾	90
Price Bros., com.	2	3.81	52½	52	52	53	150	63	52
Do. pref.	6½	6.40	101⅜	101⅜	101⅜	102	140	104	100
Prov. Paper, pref.	7	6.04	..	...	...	...	...	107	105¼
Smith, Howard, com.	.	...	61	59¾	60	61½	380	68¾	60
Do. pref.	8	7.27	111	110	111	110	95	112	103½
Span. River, com.	7	7.10	98½	98¼	98½	98½	75	102¾	97½
Do. pref.	7	6.16	114	113⅛	114	112	218	116½	110¼
Wayagamack	$3	5.21	59	57	57½	57½	802	61¾	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	..	...	...	...	...	1⅜	½
Do. 1st pref.	.	...	25	20	20	26	136	29¼	10
Do. 2nd pref.	.	...	1½	1½	1½	1½	75	4	1
Can. Car & Found., com.	.	...	39	38	39	39	16	50¼	38
Do. pref.	7	7.79	90½	89	89	90½	85	94½	88
Can. Fairbanks, pref.	6	6.66	..	...	...	...	...	90	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	.	...	..	...	...	...	...	87½	66
C.G.E., com. (par 50)	.	...	49	49	49	58	100	60	49
Do. pref. (par $50)	7	5.93	59	59	59	59½	100	61	55
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	7.27	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.23	85	85	85	83¼	25	89	83
Dominion Bridge	4+2	3.22	189½	183	183	181¾	3047	193½	116¾
Dominion Coal	.	...	..	...	...	...	...	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	2
Dom. Radiator, pref.	7	7.00	..	...	...	...	...	101¾	100
Dom. Steel Corp., pref.	.	...	31	30½	30½	30½	255	31¼	20
Ford Motor	15	...	..	...	...	...	...	436	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	11½	11	11	11½	525	15	9⅞
Do. pref.	7	7.95	..	...	...	...	...	95	87¼
Massey-Harris, com.	.	...	36¾	33⅞	34½	35¾	17160	42¾	29
Do. pref.	7	6.42	109¼	109	109	109	693	109¾	103½
McKin. Ind., c. (no par)	.	...	22½	22½	22½	22	10	25½	15
Do. pref.	7	7.38	94	94	94	94¾	4	97	93½
Do. Vot. Trust	.	...	22⅜	21½	21½	22½	175	26¾	15
Ontario Steel, com.	4	4.32	..	...	...	...	...	92½	73
Do. pref.	7	6.66	..	...	...	...	...	105	100
Page Hersey, com.	$3	4.41	69½	68	68½	69	408	75½	55½
Do. pref.	7	5.10	138½	136	138	138½	205	150	116
Pressed Metals, com.	75c	...	43	40½	43	42	15	46¾	34¼
Do. pref.	7	7.77	90	90	90	90	20	90	85
Russell Motor, com.	3	5.45	..	...	...	...	...	55	52
Do. pref.	7	7.14	98	98	98	96	35	98	90⅛
Sawyer-Massey, com.	.	...	..	...	...	...	...	1	1
Do. pref.	.	...	..	...	...	...	...	22	5
Steel of Canada, com.	7	5.18	136	134	135	134	1249	137½	117
Do. pref.	7	4.99	140¼	137½	138	138	112	140¼	127
Milling and Foodstuffs—									
Alta. Pac. Grain, com.	.	...	21	20½	21	21½	225	27¼	19½
Do. pref.	7	7.91	88¾	87¾	87¾	89	97	92	85
Arnolds, com. (no par)	.	...	15¼	13½	14	13½	925	26	13½
Do. pref.	7	8.23	..	...	...	...	...	95	84
Atlantic Sugar, com.	.	...	25⅞	23⅞	23⅞	25	340	32	23⅞
Do. pref.	.	...	95	95	95	95	75	101¼	90
B.C. Fishing, com. (new)	$1.25	7.81	17¼	15	15½	17½	1707	22	15
Do. pref.	7	8.43	83	80	80½	83	476	90	80
Can. Bak., c. (no par)	.	...	29	26	27	29	100	38½	26
Do. pref.	7	7.00	100	99	100	100	55	102	97
Can. Bread, c. (no par)	$5	4.69	106½	106	106	106¼	635	116	90
Do. pref. (A)	7	6.00	..	...	...	...	...	116½	108½
Do. pref. (B)	7	6.48	108½	107¾	107¾	109	32	112¼	103
Can. Canners, com.	.	...	50½	50½	50½	50	15	63½	21
Do. pref.	5	5.78	90	85	85	89	180	97	76
Canadian Salt	8	6.01	134	134	134	133	3	136	123
Christie Brown, c. (no par)	$1.20	1.96	61½	60	60½	63	207	66	38
City Dairy, c. (par $25)	3+1	3.39	124	118	120	118	258	126	79
Do. pref.	7	5.93	121	118	118	120⅛	30	121	112
Cuban Can. Sugar, com.	.	...	2	2	2	2	100	5	2
Do. pref.	.	...	29	29	29	30	125	37	29
Wm. Davies (A) (no par)	.	...	40	39	39	39⅞	965	45	25
Do. (B) (no par)	.	...	12½	12½	12½	14	10	19½	9
Dominion Stores (no par)	2.40	3.11	77	75	77	74	190	85½	65
Do. Rights	.	...	3½	3	3½	3¼	602	4	3
Hamilton Dairies, com.	.	...	..	...	...	...	...	33	24
Do. pref.	7	7.25	..	...	...	...	...	98½	96
Inter. Milling, pref.	7	6.68	104¾	104½	104½	104½	30	107	104
Lake of Woods, com.	12	8.27	147	145	145	150	90	160	130
Do. pref.	7	6.36	..	...	...	...	...	117	110
Loblaw, com.	1.25	2.50	50	50	50	50	10	51	48
Do. pref.	7	6.30	111	111	111	110	2	111	107
Maple Leaf Mill., com.	.	...	..	...	...	...	...	73⅛	60
Do. pref.	7	7.08	98¾	98	98	96	30	101¼	94
Ogilvie Flour, com.	5	1.83	272½	272½	272½	275	30	290	205
Do. pref.	7	5.60	..	...	...	...	...	125	120¼
Pure Gold Mfg. (no par)	$1.50	7.69	19½	19½	19½	21½	15	21½	19⅛
Shred. Wheat, c. (no par)	$3	4.98	63	61⅛	61¼	62½	328	70½	55
St. Law. Flour, com.	.	...	..	...	...	...	...	31½	28
Do. pref.	7	8.23	..	...	...	...	...	85	80
Viau Biscuits, com.	.	...	..	...	...	...	...	26	18
Do. pref.	7	7.77	90	90	90	90	30	92½	88½
W. Can. Fl., c. (no par)	$1.40	5.83	24	24	24	25	90	29½	22
Do. pref.	6½	6.34	..	...	...	...	...	103¼	100
West. Groc., c. (no par)	$1	...	..	...	...	...	...	29	18
Do. pref.	7	8.97	..	...	...	...	...	84	74¼
Utilities—									
Bell Telephone	8	5.38	150	147	147¾	149½	1346	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.61	178½	178	178½	179	70	182	171½
East Koot. Power	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.21	..	...	...	...	...	98½	96¼
Inter. Util. (A) (no par)	$350	8.75	40¼	39½	39½	44	358	42	28
Do. (B)	.	...	6¾	6¾	6¾	7	10	7⅝	4½
Jamaica Pub. Ser., pref.	7	7.07	..	...	...	...	...	100¼	97
Laurentide Power	5	4.67	..	...	...	...	...	120	107
Mackay, com.	7	6.14	115½	108	110	116	503	127½	108
Do. pref.	4	5.67	71	70	70	71¼	101	74	69
Mexican Light, com.	.	...	..	...	...	...	...	44	27
Do. pref.	.	...	..	...	...	...	...	120	77¼
Mont. L H & P (no par)	$2	2.35	85	82¾	84½	84¼	7410	85¾	68⅛
Montreal Teleg. (par $40)	8	5.23	51½	51½	51½	50¼	20	51½	49
Nor. Mexico Pr., com.	1	...	78	76¼	77	80	818	83	42
Do. pref.	7	7.60	92½	92	92½	93	11	93	82½
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	28	26
Do. pref.	7	7.21	97	97	97	97½	30	99½	96
Ottawa L. H. & Pr., com.	6	5.58	..	...	...	...	...	107½	98½
Do. pref.	6½	6.07	107	107	107	107	50	107½	102
Quebec Power, com.	6	2.17	282	275	275	281	2136	311	190
Shawinigan	$2	2.35	86¾	81¾	81¾	85	8271	93¾	67
South. Can. Pr., com.	$2	2.18	91½	91½	91½	93	15	97	85
Do. pref.	6	6.01	102½	99¾	100¼	102	101	102½	99¾
Transportation—									
Can. Pacific Rly.	10	5.58	180	179	179	178¾	32	190	166
Can. Steamships, com.	.	...	37½	37½	37½	37½	390	42	35
Do. pref.	6	6.70	89½	89	89	90	400	94¾	82½
Do. voting	.	...	..	...	...	...	...	37½	32½
Tractions—									
Barcelona (par 50)	1	...	49¾	47	49	50	110	51	38½
Brazilian, com.	6	3.76	161¾	153⅞	156½	157	60307	172	102½
Do. pref.	6	4.58	135½	131	131	133½	555	143½	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	2
Duluth-Superior	$2	7.40	..	...	...	...	...	30⅝	25
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.34	187	185	187	185	2	200	169
Ottawa Traction	4	6.01	..	...	...	...	...	70	64
Porto Rico Rlys., com.	2	2.80	..	...	...	...	...	70¾	59
Do. pref.	7	7.29	..	...	...	...	...	96⅛	90
Twin City, com.	4	7.69	52	51	51½	51	160	66	48¾
Do. pref.	7	6.86	..	...	...	...	...	105	100¾
Winnipeg Elec., com.	1	....	74	72½	73	72	871	79¾	60¾
Do. pref.	7	6.66	105	103	104	103¾	73	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	9.09	..	...	...	...	...	50	36
Can. Converters	7	7.44	95	94	94	97	20	107½	94
Can. Cotton, com.	8	6.45	..	...	...	...	...	132	120
Do. pref.	6	6.03	99½	99½	99½	98¼	100	100	95
Can. Woollens, com.	.	...	8⅛	8	8	8⅛	40	10	6
Do. pref.	.	...	60	60	60	60	10	68½	59¾
Cosmos Imp., com.	.	...	25½	24½	24½	24¼	2042	27	13
Do. pref.	7	6.96	100½	100	100	100¾	69	101	91¼
Dom. Textile, com.	5	4.42	118	112¾	112¾	113	411	120⅝	105
Do. pref.	7	5.78	121	121	121	121	25	121	117
Monarch Knitting, com.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	53	53	53	53	10	54	49
Montreal Cottons, com.	6	5.31	..	...	...	...	...	117	110
Do. pref.	7	6.03	..	...	...	...	...	118	115
Penmans, com.	4	5.65	72	70	72	70	311	79	70
Do. pref.	6	5.91	..	...	...	...	...	105	101
Wabasso Cotton	6	6.31	..	...	...	...	...	116	84
General Industrials—									
Amer. Sales, c. (par $20)	4	6.50	61½	61½	61½	61½	73	75	61½
Do. pref.	7	6.98	102	100	102	102	15	102	97½
Asbestos Corp., com.	.	...	23¼	22¾	23	23	1562	25	20
Do. pref.	7	7.86	89½	88¾	89	89	1764	90	82¾
Brant. Cord., pf. (par 25)	8	8.51	23½	22¾	22¾	22¾	145	25	21
Building Products, pref.	7	7.14	..	...	...	...	...	98	93½
Burt, F. N., com.	$3	5.00	62	60	60	61¼	573	66	56½
Canada Cement, com.	6	4.08	149	145	145⅝	145	780	153½	124½
Do. pref.	7	5.85	120	119½	119⅝	120	49	121½	116
C. Ind. Alc. (no par)	$1.28	4.41	29⅝	28	28¾	29	13556	34½	21¼
Canadian Oil, com. (new)	.	...	..	...	...	...	...	24⅞	24
Do. pref.	8	6.66	..	...	...	...	...	120½	115½
Crow's Nest Coal	6	10.00	62	60	60	63	47	71½	60
Dom. Glass, com.	7	5.98	119¾	117	117	120	375	125½	104
Do. pref.	7	6.19	..	...	...	...	...	115	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	x87½	80
East Theat., c. (par $25)	.	...	..	...	...	...	...	30	24
Do. pref.	7	7.36	..	...	...	...	...	95½	92½
Famous Players, com.	.	...	30¼	30	30	30	45	30¼	20
Do. pref.	8	8.4[illegible]	96	94	94	95	217	101	93¾
Gilman, com.	6	5.45	..	...	...	...	...	112	110
Do. pref.	7	6.00	114¾	114¾	114¾	116½	60	125	110
Goodyear Tire, pref.	7	6.96	100½	100	100¼	101	342	109	94½
Hayes Wheel, com.	.	...	32	29¾	30	31½	240	34	27¾
Do. pref.	7	7.36	95	95	95	96	5	96	94
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.60	92	92	92	90¼	5	92	85
Hunt's, Ltd., c. (no par)	.	...	..	...	...	...	...	25¼	20
Do. pref.	7	7.77	92	90	92	90	15	95	90
King Edward Hotel	$1	...	42	41	41	48	81	60	20
Laura Secord, com.	.	...	34	31	32	34	60	35	26
Do. pref.	7	6.36	110	109¾	110	110	32	112	102
Lyall Construction	.	...	33	33	33	33	50	45¾	25
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.73	104	104	104	104½	10	105	96½
Nat. Brew., c. (no par)	$4	5.88	68½	67⅞	68	68	1540	73½	65
Do. pref.	7	6.54	..	...	...	...	...	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	10.76	..	...	...	...	...	81	65
Pacific Burt, com.	6	6.18	..	...	...	...	...	100	87
Do. pref.	7	6.51	107½	107½	107½	107½	5	108½	102
Port Hope Sanitary, com.	3	2.14	..	...	...	...	...	140	125
Do. pref.	7	6.54	..	...	...	...	...	108	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	7.00	..	...	...	...	...	100	92
Seagram (no par)	.	...	22¾	20¼	21⅝	22½	8000	28⅞	15
Sher-Williams, com.	6	3.75	161	160	160	160	50	170	142
Do. pref.	7	5.83	120	120	120	120	10	120½	117
Standard Chem., pref.	.	...	..	...	...	...	...	15	15
Sterling Coal	4	12.90	31	30	30	31	128	36	30
Tooke Bros., com.	.	...	..	...	...	...	...	x8	8
Do. pref. (new)	7	...	..	...	...	...	...	70	70
Tuckett Tobacco, new	4	5.31	75½	75¼	75½	75¼	60	75½	69
Do. pref.	7	6.60	..	...	...	...	...	107	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.21	76	76	76	80	2	89	76
Trust and Loan—									
Can. Landed (par $50)	10+1	5.44	101	101	101	101	134	101	94
Can. Permanent	12	5.42	..	...	...	...	...	223½	216½
Colonial Invest.	6	...	5⅛	5⅛	5⅛	5¾	8	7	5⅛
Huron & Erie	7+½	4.95	..	...	...	...	...	152⅛	139
Landed Banking	9	5.23	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	47	47	47	49	9	52¾	47
National Trust	12	4.80	250	250	250	253	20	255	232
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	6.86	102	102	102	103	16	105	100
Toronto Gen. Trusts	12	4.87	..	...	...	...	...	246	220
Toronto Mtge. (par $50)	10+1	5.37	..	...	...	...	...	103½	100
Union Trust	7	6.36	..	...	...	...	...	110	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	7.12	..	...	...	...	...	98¾	98
Attendu Engine (par $1)	.	...	22	17	17½	18½	1925	35½	14
B.C. Oilfields	.	...	..	...	...	...	...	2¾	2
Beacon Oil	.	...	17	16	17	17	160	20¾	15¾
Belding, com.	6	8.57	..	...	...	...	...	88	70
Do. pref.	7	7.14	..	...	...	...	...	100	98
Brading Brewery	.	...	28½	28½	28½	27⅞	25	35½	25
Brit. Amer. Oil	80c	3.46	23	21⅞	22	23	5906	28	20
Brew. & Distil. (par $5)	5	...	6⅛	6⅛	6⅛	6	10	6½	4½
Can. Brewing	.	...	25	23	23	24½	485	30½	23
Can. Bronze, com.	.	...	44½	43	43½	45¾	185	50¼	43
Do. pref.	.	...	100	100	100	100	180	101	100
Can. Celanese	.	...	69½	65½	66½	71	690	72	52¾
Can. Light & Power	.	...	40	38½	38½	42	29	55	20
Can. Nor. Pr., c. (no par)	.	...	52	52	52	53½	8	53½	42
Do. pref.	7	7.14	98	98	98	98	5	100	98
Carling Brew.	.	...	26½	22⅞	25½	25¾	3470	28½	22⅞
Cockshutt, pref.	4	5.71	70	70	70	70½	5	82	70
Continental Oil	$1	...	..	...	...	...	...	22¼	17
Cosgrave Brew. (par $10)	5	5.55	10	8¾	8¾	9½	1790	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	...	...	...	...	54	50½
Com. Alcohol	.	...	16	16	16	17¾	60	70	15
Foothills Oil	.	.....	2.25	2.25	2.25	2.40	100	2.90	2.25
Dom. Engineering	8	4.23	..	...	...	...	...	189	135
Dom. Power, pref.	7	6.96	..	...	...	...	...	101	100½
Dryden Power (no par)	.	...	10½	10¼	10¼	10½	55	15½	10
East Dairies, c. (no par)	.	...	27	27	27	27	20	29½	20½
Do. pref.	7	7.36	..	...	...	...	...	96½	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	..	...	...	...	...	95	72½
Good. & Worts (no par)	$1	1.88	54½	51	52¾	55	6480	64	43½
Hiram Walker	.	...	50½	45	47¾	50	21586	57¼	28½
Illinois Power, pref.	7	7.14	..	...	...	...	...	100½	98
Imperial Oil	$1.12½	2.63	45½	42	42¼	43	2798	47	37¾
Imp. Tobacco, c. (no par)	6	...	..	...	...	...	...	7¾	6¾
Inter. Petroleum	75c	2.59	29¾	28	28	30	875	35¼	28
Lake Ont. Brew.	.	...	27	25½	25½	27	2356	27	24
Loew's London	25+5c	...	..	...	...	...	...	5¾	4½
Inter. Power	.	...	16½	16½	16½	16	10	17	14½
Mitchell, J. S.	.	...	..	...	...	...	...	30	28
Manitoba Power (no par)	.	...	56	56	56	58	79	58½	50
McColl, com. (no par)	80c	2.05	41	37¼	39½	37½	4898	41	22½
Do. pref.	7	5.90	118½	115	117¾	118	125	118½	100
Mount Royal, com.	.	...	3	3	3	4	2	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	51½
North Star Oil, c. (par $5)	.	...	..	...	...	...	...	2.55	1.15
Do. pref. (par $5)	7	...	..	...	...	...	...	5.01	4.90
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Northern Bakeries	.	...	27½	25	26¾	27	4582	36¾	25
Perfection Glass	.	...	..	...	...	...	...	7½	7
Ott. Mtl. Pr., c (no par)	.	...	..	...	...	...	...	25	19
Do. pref.	7	7.44	..	...	...	...	...	48⅝	47
Ottawa Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., com. (no par)	.	...	..	...	...	...	...	60	52
Do. pref.	.	...	98	98	98	98	10	100	98
Power Corp., c. (no par)	.	...	40½	39¼	40	39½	1124	44	27¼
Do. pref.	6	6.31	95	95	95	96	25	97½	94
Port Alfred, pref.	7	7.33	..	...	...	...	...	97½	95
Que. South Pr. (no par)	.	...	..	...	...	...	...	53	27½
St. Maur. Power	.	...	126	126	126	126	230	150	96
St. Maur. Valley, com.	.	...	52	51½	52	52	53	57½	47
Do. pref.	7	7.36	95	95	95	95	20	98	90½
Simpson, Robt., pref.	6	5.88	102	102	102	102	5	102	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	39¾	39	39	40	20	54	39
Do. pref.	8	7.54	..	...	...	...	...	108	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Dairy	.	...	..	...	...	...	...	90½	90½
Toronto R.S.	.	...	..	...	...	...	...	1.50	1.50
Tram. Script	.	...	..	...	...	...	...	10	9¼
United Secs., com.	.	...	60	60	60	64½	50	70½	43½
Do. pref.	6	5.76	104	103½	103½	104¾	30	105¼	103½
Toronto Brewing	.	...	12	12	12	12¼	220	13¼	12
Volcanic Oil	63c	...	..	...	...	...	...	47¼	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7¾	6¼
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen	.	...	25	25	25	24½	25	25	20

xQuotations for 1926. No sales recorded in 1927 to date.

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
BONDS AND SHARES
"Specialists Unlisted Bonds and Stocks"
219 Bay Street, (Ground Floor) Toronto
Elgin: [illegible]

The Royal Bank of Canada
Head Office, Montreal
Condensed Statement to the Dominion Government
May 31, 1927

LIABILITIES

Capital Paid up	$ 28,844,510.00
Reserve Fund	28,844,510.00
Undivided Profits	1,409,674.58
Dividend No. 159, payable 1st June, 1927	869,414.42
Notes in Circulation	35,63[illegible],737.94
Deposits	631,107,[illegible]
Due to other Banks	21,849,916.38
Bills Payable (Acceptances by London Branch)	6,064,633.62
Letters of Credit outstanding	35,410,612.63
	$780,633,735.50

ASSETS

Cash on Hand and in Banks	$104,906,238.01
Deposit in the Central Gold Reserves	10,000,000.00
Government and Municipal Securities	102,486,962.31
Railway and other Bonds, Debentures and Stocks	19,563,447.60
Call Loans in Canada	37,062,109.16
Call Loans elsewhere than in Canada	74,082,896.96
	$348,040,763.35
Loans and Discounts	377,332,061.47
Liabilities of Customers under Letters of Credit as per contra	35,410,612.63
Bank Premises	14,646,961.49
Real Estate other than Bank Premises	1,919,696.38
Mortgages on Real Estate sold by the Bank	1,437,633.73
Deposit with Dominion Government for Security of Note Circulation	1,345,000.00
	$780,633,735.50

873 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.
Auxiliary: THE ROYAL BANK OF CANADA (France)

Indian Population Increasing

The Indian population of the three prairie provinces continued to increase during the past year, according to the report of the Dominion Department of Indian Affairs. The present Indian population on the reserves is distributed as follows: Alberta, 9,063; Saskatchewan, 14,466, and Manitoba, 11,775. There was a natural increase in this area during the year of 368. In addition there are a number of Indian bands in far northern districts which are as yet under treaty. These bring the estimated Indian population of the three provinces up to some 36,000.

DO YOU VALUE RELIABLE INFORMATION?

Over $9,500,000 in cash was paid as dividends by the gold and silver mines of Ontario last year.

DID YOU GET YOUR SHARE?

Two years ago we advised the purchase of Teck-Hughes at $1.35. Now the mine has entered the dividend paying stage and the stock is selling above $7.50.

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Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Adjustment of Producing Costs to Falling Prices New Problem
June Employment at Highest Point in Last Seven Years
Export Demand for Packing House Products on the Increase
Revenue Freight Traffic Continues Ahead of Last Year

ONE of the prominent features which has characterized business in the past fifteen months, has been the enormous volume of goods moving from the producer to the consumer coupled with relatively small profits. This has been attributed to hand-to-mouth buying, deferred payment, keener competition, etc. All this is undoubtedly true, but there is another side to the problem which has been given little consideration and that is the adjustment of producing costs to falling prices. For over a year the index price of key commodities has been moving to lower levels. At the same time the purchasing power of the individual has been increasing and competition among producers for this additional business has been and is so keen that price cutting is the general rule.

The point in question now is "how much further the element of reduced cost of production could offset a progressive and fairly rapid decline of prices." It is admitted that lower prices are beneficial in stimulating demand. Higher wages are also essential in creating efficient labor and increasing the purchasing power of the working classes. Moreover, we have the curious anomaly of farm products rising in value, while manufactured products are selling at a price less than they were a year ago. Thus the farmer is also benefiting from this unusual situation, and these two groups have exerted a potent influence on the market.

Were commodity prices stabilized, net earnings of the producer would reach high levels, but the small spread between production costs and selling values, has not been conducive to this end. There is nothing in the present business situation to hinder a continuance of production and consumption and it is not impossible, even with a continuing downward movement in commodity prices, economics in production will continue to meet and counterbalence the lowered selling price and yield net profits commensurate with those of other years of high activity.

Employment Sets Record

As was to be expected, employment at the beginning of June showed a further pronounced gain that made the situation more favorable than in any other month since 1920. This is most unusual, as the peak of employment is reached about the beginning of October, when harvesting is at its height. If the previous experiences are repeated, then the volume of employment in the fall months this year should be far beyond any point ever before recorded.

The index number for employment at the beginning of June was 105.9, as compared with 105.2 on October 1, 1926, the previous high level in the last seven years. In the preceeding month, the index stood at 100.6 and on June 1, 1926, it was 101.0. It is significant that an unusually large advance for the time of the year was recorded in manufacturing, while construction, transportation, mining, logging and services also showed important increases. Moreover, expansion was noted in the five economic areas, Quebec firms adding the largest number of extra employees to their staffs.

Farming Situation Favorable

Reports from the West continuing encouraging, wheat and other grains apparently have got away to an excellent start and despite the decrease of 2,000,000 acres in acreage, it is considered, that with favorable weather, the yield will be as great as last year. The pessimistic reports of earlier in the season, now appear unfounded. Seeding of all coarse grains, with the exception of some flax and oats for green feed, is completed. Large areas of wheat were seeded about the middle of June and rapid growth has since been experienced. It is estimated by the Winnipeg Free Press that 19,420,473 acres are seeded to wheat, 10,094,092 to oats, 3,885,602 to barley and 820,610 to flax. This compares favorably with last year.

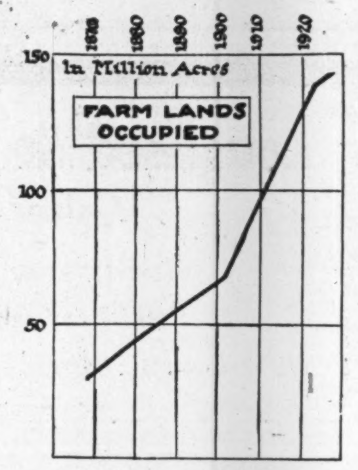
The livestock industry is also undoubtedly feeling the stimulus of a better foreign demand for packing house products. The latter part of 1926 was unfavorable for this trade, but reports for the last three of four months, indicate that this important industry is coming back strongly. Exports of bacon and ham in May last, for example, were only 5,000 cwt. less than in May last year, before the general strike got underway in England. Fresh beef shipments are nearly twice as great as they were last year, while pickled pork, mutton and lamb, canned meats, etc., also show substantial increase.

Industrial Production Maintained

In so far as industrial production is concerned, practically all indications on the situation are favorable. Last week's report on the output of iron and steel during May was surprising to many, as it was the general belief that this industry was not experiencing the same activity as that of the allied industries of automobile manufacturing and construction. The other key industries are in good shape. Pulp and paper plants have adjusted themselves to the new schedule of operations and while there is a possibility of over-production, care is being taken to see that stocks on hand are kept down to a minimum. Manufacturers of rubber products are busier than for some time past. Cotton and other textile industries are finding a good demand for their products. A few activities have slowed down, on account of their seasonal work, but the recession is less than usual.

Merchandise distribution is being well maintained, car loadings for the week of June 18, showing a slight increase over that of the preceding week and of nearly 1,000 cars over the same period last year. This has been one of the interesting features of the railway traffic situation. While other divisions of freight have fluctuated from week to week, merchandise loadings have steadily increased and at present are 24,457 cars greater than in 1926. Other commodities have been moving freely, particularly coal, which has shown the largest increase. Grain and grain products, lumber, pulpwood and miscellaneous loadings are up, while livestock, coke, pulp and paper, other forest products and ore loadings are smaller than they were last year.

Sixty Years of Progress in Canada



—Chart by The Financial Post.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Latest Last Year	To Date This Year	To Date Last Year
Production—				
Pig iron, tons (May)	78,987	72,762	334,276	300,010
Steel, tons, (May)	96,711	89,513	427,370	349,907
Newsprint cwts. (May)	171,819	153,969	826,083	735,152
Automobiles (May)	25,708	24,934	107,600	103,127
Boots and shoes, pair (April)	1,566,750	1,426,578	6,272,436	5,634,653
Flour, bbls. (Feb.)	1,231,000	1,440,000	2,727,000	2,862,000
Construction—				
Contracts awarded (April)	$38,582,300	$37,292,000	$92,336,700	$83,218,000
Building permits (May)	$20,532,147	$18,504,296	$62,973,761	$60,042,369
Labor—Employment index (June)	105.9	101.0	....	....
Transportation—				
Car loadings (to June 18)	63,939	63,981	1,453,341	1,364,827
C.P.R. gross (April)	$15,121,289	$13,856,101	$58,357,298	$54,201,059
C.P.R. net (April)	2,253,588	2,149,639	8,716,216	8,680,706
C.N.R. gross (April)	$21,776,705	$20,278,871	$84,289,166	$79,325,976
C.N.R. net (April)	2,810,833	2,735,613	10,654,464	10,200,928
Population—				
Emigration (April)	6,225	....	21,516	.....
Immigration (April)	35,441	......	65,397	.....
Trade—(May)—				
Imports	$94,412,439	$86,052,253	$432,839,530	$395,432,375
Exports	$109,782,531	$91,339,823	$455,353,901	$486,164,567
Imports of key products (Feb.)—				
Rubber, lbs.	5,869,000	4,901,000	4,336,000	4,901,000
Cotton, lbs.	12,278,000	19,209,000	21,278,207	19,209,000
Sugar, $	2,427 990	1,309,609	2,427,990	1,309,609
Petroleum, gal.	31,052,000	38,332,000	52,222,000	38,332,000
Coke, tons (May)	173,727	159,390	850,719	782,939
Exports of key products (Feb.)—				
Newsprint, (cwt.)	145,263	128,964	304,129	272,003
Automobiles (pass.) (No.) (Mar.)	6,512	8,033	15,405	17,729
Wheat, bus. (May)	28,698,115	18,971,018	89,267,495	66,503,108
Wheat Flour, bbl.	804,468	725,852	3,770,970	4,268,133
Finance—				
Failures, number, (April)	127	131	634	595
Failures, liabilities, (April)	2,279,954	2,880,479	8,986,577	9,816,537
Bank debits (April)	$2,639,971,080	$2,631,481,440	$10,152,246,224	$9,441,224,145
Bond sales (May 30)	201,237,149	254,668,046	....	....
Stock prices index (June 18)	....	....	362,2	174.3
Insurance sales (April)	$41,631,000	$37,346,000	$157,025,000	$146,480,000
Wholesale prices (1913-100))—				
General index (May)	....	....	151.9	156.8
Pig iron	....	....	143.6	144.1
Cotton	....	....	127.2	153.6
Grains	....	....	181.4	188.4
Cattle	....	....	133.9	108.5
Rubber	....	....	64.7	74.2

LARGE NUMBER OF AMERICAN SETTLERS EXPECTED IN 1927

Movement Has Lagged During Past Ten Years

Interest in the farm lands of the Prairie Provinces on the part of American farmers is this year greater than in any year since the outbreak of the war. Consequently, the movement of new citizens from the United States, started early last spring, is assuming proportions reminiscent of the old pre-war days when a substantial proportion of immigration came from across the line. The old Prairie schooner of the early Western migration is still in evidence, transferring entire families from districts that were frontiers but a short while ago to the last open West. With it the automobile and tractor of the modern pioneer.

When the first Canadian census was taken in 1871, four years after Confederation, and the newly founded Dominion was found to have a population of 3,485,701, 24,162 individuals were returned as having been born in the United States. The real influx from across the border, however, commenced in 1881 when the Western prairies were opened up and the first quarter section of homestead land filed upon and of Canadian Pacific Railway land sold. Since that time substantially over two million settlers from the United States have entered Canada to make their homes. The peak of the movement was reached in 1913 when 139,009 United States citizens were added to Canadian population, and it is impossible to tell what figure might have been reached had not the war interrupted a development which had few parallels in history. Immigration totals were necessarily low in the war and post-war periods and are just beginning to rise again. The last fiscal year saw 21,025 persons of United States citizenship transfer their activities across the border.

A Valuable Immigration

Materially regarded, the United States settler has always been Canada's most valuable immigrant. The movement from south of the border has been almost purely an agricultural one, of men and families for the most part adequately equipped to immediately initiate activities in a land of very similar condition to the one they left. It was estimated not long ago that of the tremendous extent of the Canadian West settled by homesteading, United States settlers had accounted for some thirty per cent. as against twenty per cent. on the part of British newcomers. In the year 1925-26 when 3,590 homesteads were filed upon in Western Canada, 842 were accountable to United States immigrants, over 23 per cent. of the total, or more than were settled by Canadians or people of any other nationality. Furthermore, by reason of the fact that they frequently arrive with substantial funds derived from the sale of their old holdings, United States settlers have always been the heaviest purchasers of improved farms in Western Canada.

The United States settler comes to Canada with, as a rule, ample funds. From the year 1912-13 to 1925-6, a depressing post-war period in Canadian immigration, United States settlers to Canada brought with them in cash and effects the sum of $171,074,762. In the fiscal year 1925-26 the 18,778 settlers to cross the border into the Dominion brought with them an average of $405, and in the previous year, when 15,818 made the transfer, the average per capita wealth was $396.

RUBBER OUTPUT ON THE INCREASE

Raw Materials Coming in More Freely; Exports Gain

Stabilization of the Stevenson plan, whereby an equitable price is set for raw rubber, has given to the rubber manufacturing industry a measure of stability which is reflected in a substantial increase in production. In order to relieve the situation which arose during the slump of 1920 and 1921, when rubber went as low as sixpence a pound on the London market, what is known as the Stevenson restriction plan was devised and put into effect. As a result the price of raw rubber reached abnormal levels during 1925 and the early part of last year. The situation got out of hand, and the British government stepped in and established a sliding scale of prices under the above-mentioned plan. Consequently, prices have adjusted themselves to this new order, and the market has been moving along regular channels.

The cost of importing raw rubber has been, and is, one of considerable importance to the Canadian industry, and, in order to secure the best results from a manufacturing standpoint, close buying is absolutely necessary. With a semi-official control of the market, there has been less inducement to speculate in this commodity. The rubber companies operating in Canada, therefore, have lately been enabled to estimate their future commitments with a certain degree of sureness, which has been instrumental in bringing about a noticeable difference in the tone of the market for manufactured products.

Buying More Raw Material

While it is not possible to give in detail the volume or value of production from month to month, import figures prepared by the Dominion government are a reliable indicator of activity. In view of the spread of price of the raw product during the past eighteen months, comparison of value figures is not of any moment, but from the standpoint of quality they convey much information. During the month of May, last, Canada imported 5,644,143 lbs. of raw rubber, as compared with 3,380,355 lbs. in the preceding month, and 2,775,552 lbs. in May, 1926. Cumulative figures for the twelve months ended May, 1927, show imports of 52,835,777 lbs., as compared with 46,759,318 lbs. in the preceding year. In addition, there were a number of purchases abroad of rubber in various partly manufactured forms, but the aggregate volume was not particularly large.

In so far as actual production is concerned, the trend of exports in the past year would indicate that there has been a steady increase. The increasing use of automobiles has meant a greater domestic demand for tires, tubes and other rubber products of that nature, and the immediate outlook is distinctly favorable. On the other hand, shipments to foreign markets have been increasing in volume, and a comparison of exports during the twelve months ended May, 1927, with those of the preceding year, indicate a favorable difference both in volume and value. The value of all rubber products exported in the year just ended was $26,582,512, as compared with $21,610,967 in 1925-26, an increase of nearly 25 per cent.

A comparison of the quantity exports of the different commodities in this group is even more striking. Pneumatic tire castings, for example, increased from 1,012,881 to 1,438,707; inner tubes, from 1,097,913 to 1,444,301; boots and shoes of rubber, 1,352,154 pairs to 1,413,573; canvas shoes with rubber soles, 3,968,640 pairs to 5,123,414. Rubber belting is the only important product to show a lessening of foreign demand, but even in this particular instance the decrease is small.

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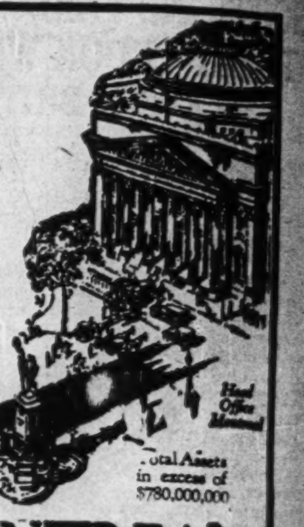

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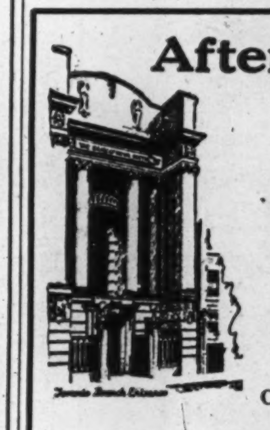

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ACTIVE PLANS FOR MARKETING FOODS IN OLD COUNTRY

Large Sum Appropriated by Government to Aid Work

Development of markets for the Dominion's surplus foodstuffs production, is a matter of much interest and steps have already been taken by the Federal Government to bring about better facilities for marketing these products overseas and particularly in the British Isles. To this end an appropriation of $100,000 was passed at the last session of Parliament to be disbursed by the Minister of Trade and Commerce on a 50-50 basis with organized associations wishing to advertise their products on the British markets. Following this up, the Canadian Minister of Trade and Commerce is in the British Isles inquiring into the manner in which Canadian products are being received, and into means by which these products can be effectively marketed.

This is a sort of culmination to activities on the part of agricultural and other interests throughout Canada, says the C.P.R. Bulletin. A delegation of the Nova Scotia Fruit Growers recently visited the British Isles, investigating the fruit situation at all marketing centres, securing much valuable information, from which a report was made which is being acted upon. The Quebec Government recently placed the sum of $50,000 a year at the disposal of the provincial Department of Agriculture to encourage the marketing of agricultural products, and to conserve present markets and develop new ones in the United Kingdom and elsewhere. A commission representing five important Saskatchewan agricultural organizations recently investigated the situation in Great Britain and elsewhere in Europe, with particular reference to bacon hogs, and a delegation of equal importance from Manitoba is to leave for a like tour.

Time Opportune

Everything points to the present as peculiarly propitious for Canadian effort. Following the Wembley Exhibition and other advertising campaigns, Canadian food products are better known in the United Kingdom than probably ever before. The demand for them has been greatly stimulated by the Empire Marketing Board, which has a Canadian delegate, whose object, to be achieved through a substantial appropriation made by Parliament, is to encourage the purchase and consumption of foodstuffs from the overseas Dominions in Great Britain. Already a great deal has been done to popularize Canadian food products through their advertising in common with those of other Dominions.

This is the greatest competition Canada has to face, that of her sister dominions who possess the same advantages of preferential entry into the United Kingdom, and the efforts of the Department of Trade and Commerce will be concentrated upon an advertising campaign for Canadian goods. Organized associations in Canada are being asked to contribute 50-50 in the matter of making their products better known, and, according to report, the response to take advantage of this arrangement has been very gratifying. The urgency of maintaining the quality of production at the highest possible level is stressed, and before extending assistance the Department must be satisfied that goods are of high quality and standard uniformity.

Greater Variety Needed

The definite establishment of a greater variety of Canadian food products upon the markets of the British Isles at the present time in the active competition which has developed is a question of the utmost importance, and it is one in which successful outcome would seem to depend in a not inconsiderable measure upon Canadian effort. The attitude has been developed in the United Kingdom and Canadian goods will find a ready and favorable reception there, granted they conform to proper standards. It is pleasing to note the energetic manner in which Canada is moving in this. Great Britain is the Dominion's greatest permanent market with an almost limitless demand for the great variety of food products Canada is producing in ever-increasing quantities. Many of these are already firmly established on the market of the United Kingdom, but zealous watching and constant improvement together with a ready compliance with new demands are required to keep them there.

Gold Standard is Best, But We Are Far from Making It Work Well

By HARTLEY WITHERS,

Famous British Economist. Special to The Financial Post, Copyright, 1927.

In Professor Lehfeldt's very interesting pamphlet on "Controlling the Output of Gold," he began by saying that "the world has now expressed itself unequivocally in favor of the gold standard, but even before the war that standard was criticised, and the copious discussion that has accompanied the monetary difficulties of the period of recovery has made the world more conscious of the need for a good system of money."

In fact, though the expression in favor of the gold standard was certainly unequivocal, and was carried by an overwhelming majority of practical opinion in business circles, it was not by any means unanimous. Anyone who is thought to be an authority on monetary questions knows only too well that there is a constant stream of highly critical literature, in which those who are in favor of other systems pour out the faith that is in them, accompanied by lurid denunciations of gold as the author of most of our social and industrial difficulties.

Gives Us World Currency

Most of us who believe that the gold standard is the best that can be devised for present purposes do not think so because we regard it as the monetary ideal, which is the last word on the subject and can never be improved; but because we know that when it was allowed to work before the war it conferred on mankind the inestimable benefit of a common international currency, by the use of which the world price level moved harmoniously and fluctuations in rates of exchange were reduced to very narrow limits. During the period in which the gold standard was in abeyance, and the currencies of the chief countries, instead of being joined together by the golden link, went up and down like rockets at a fireworks show, the experiences of international trade were so disastrous that they quite explained the unequivocal expression in favor of getting back to the old system. Having got back to it, in most of the leading countries of the world, we want to improve it and make it work even better than it did, by aiming at keeping international prices not only harmonious but as far as possible constant.

With this object in view, Professor Lehfeldt worked out a scheme for the control of the output of gold. He points out that the output could, of course, be controlled by a sufficiently powerful financial organization, just as the output of diamonds and rubber has been; but he adds that "the organization should not be a private syndicate, operating for profits as in the latter case, but a public authority aiming at the best monetary policy in the general interest."

May Be Declining Prices

Such a scheme looks a long way off, and most business men will probably think that the professor is only chasing a rainbow. Perhaps he is, but if nobody ever engaged in this fascinating sport, human thought would lose a good deal of the color that now brightens it.

What, however, is certain is that before there can be any chance of going ahead to schemes for controlling the output, the first thing that has to be done is to work the gold standard on its existing basis as well as possible. When the Indian Currency Commission was lately considering the question whether India should have a gold currency in circulation, expert opinion was taken as to the prospects, as far as they can be ascertained, of scarcity in future in the supply of the metal. Advised by Professor Cassel and Joseph Kitchin, manager of one of the largest mining corporations in the Transvaal and a well-known exponent of the statistics of gold, the Commission decided that "it would be most imprudent not to take into account the possibility, indeed the probability, that unless great economy is exercised in the use of gold, both in regard to its use as a commodity and its use as money, we have to look forward to a prolonged period of steadily falling commodity prices throughout the world.

Falling commodity prices have certain advantages from the point of view of the consuming public and of salary and wage-earners, since adjustments in salaries and wages generally lag behind the fall in prices, and they are obviously in favor of government debtholders and all other creditors; but they add to the burden of the national debt and they are highly unpopular with producers and merchants, and are often accompanied by trade depression. And whatever their effect, they are obviously opposed to the steadiness which is the object of those who have charge of the international monetary machine.

Economy in Gold Reserves

If, then, care is necesary—as is contended by the highest authority—in order to avoid them, the institutions whose duty it is to exercise that care are evidently the great central banks. One of the many conferences which have lately done so much to enlighten the world as to its financial and economic needs was one held at Genoa, which passed resolutions in favor of co-operation between central banks with a view to economizing gold reserves.

There seemed to be some possibility that these counsels might have more chance of realization than those usually put forward by conferences, because they did not appear to involve political problems, but looked as if they might be carried out by business men working quietly together, without governmental or political interference.

Recent experience, however, has shown that even this very modest amount of co-operation is still an aspiration. Because the French Government cannot, for fear of offending the electorate, say at what point it means to stabilize the franc, the Bank of France has been embarrassed by the large amounts of foreign currencies that it has acquired in exchange for francs purchased (it is alleged) by foreign speculators and by Frenchmen who are bringing home funds which they sent abroad at a time of the flight from the franc. And so the Bank of France, instead of co-operating with other centres which want to see lower rates for money, has been making large purchases of gold in New York and London, with the semi-officially avowed object of putting money rates up and so checking the demand for francs. All friends of France must rejoice at the wonderful recovery in her financial position during the past twelve months, but the use that she has made of her newly recovered strength is hardly an example of tact and adroitness which are usually associated with her activities.

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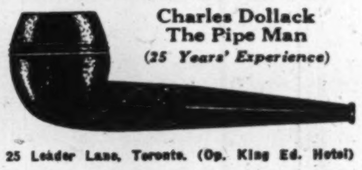
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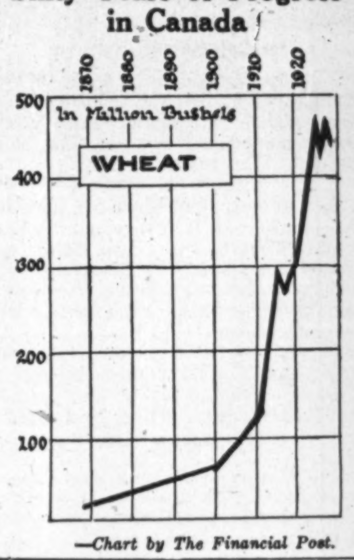

—Chart by The Financial Post.

Canadian Explosives Has Changed its Name

From Our Own Correspondent.

MONTREAL. — The Canadian Explosives, Limited, a holding company operating five subsidiaries, has changed its title to Canadian Industries, Limited. Thus the name of the company is much more in line with its widened field of operations.

Holders of Canadian Explosives common shares will receive six shares of the new company's stock for one of the old; thus giving the new company an issued common stock capitalization of 649,950 shares of no-par value. The 7 per cent. cumulative preferred shares in the new company will amount to the same as in the old, namely, $4,650,000.

In addition to its output of explosives and cartridges, the company manufactures a wide range of lines, including paints and varnishes, fertilizers, chemicals and fabrikoids.

New Fish Hatcheries Proposed

Prospective sites for the establishment of one or more fish hatcheries in Alberta in addition to the one in operation at Banff are being inspected at the present time by officials of the Department of Fisheries, Ottawa. Lesser Slave Lake, Jasper and Waterton Lakes are among the points in the province being considered. The growing importance of Alberta's fisheries demands additional sources of supply of game fish to cope with the increasing numbers of tourists visiting the province, and to maintain an undiminished supply of stock in the commercial fisheries.

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Reserves	1,100,000.00
Assets	6,184,420,00

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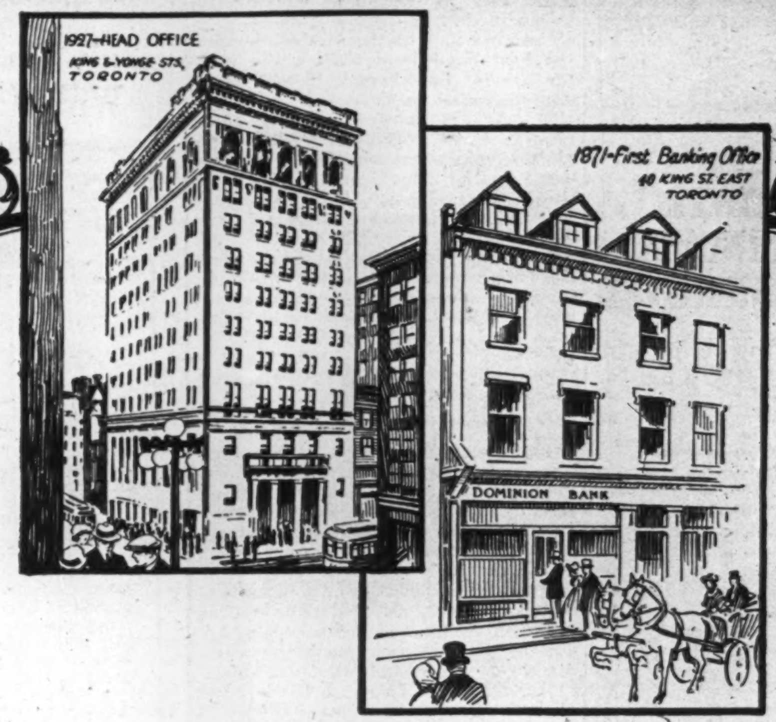

It was from the Dominion we took our name, in the year 1871. At that time our first Banking Office was opened.

We have shared in the Nation's growth and prosperity—and to-day we believe that our present Head Office, a chain of branches from coast to coast, and our total resources, are significant of the vision of the founders of our Institution and their successors.

THE DOMINION BANK
1871 — 1927

159

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Public Utilities

MACKAY STOCK WEAK; WIRELESS MAY BE REASON

Common Touches Year's Low of 110 in Absence of Definite News

Gradual fall in the market value of Mackay Companies common stock recently has caused some comment because of the previous high regard for the shares from an investment viewpoint.

No one in Canada appears to know the explanation of the recession, except that it is assumed that a number of holders have begun to worry for fear that the new beam system of wireless seriously will impair the earnings of the submarine cables. Mr. Mackay himself at the annual meeting in Boston in February expressed the utmost confidence in the future. He discussed the beam system, and gave as his opinion that the advantage of privacy and other considerations would maintain the earnings of the cables. He pointed out that the telephone had not prevented, although it may have retarded, the growth of telegraphic communication. It may be noted, incidentally, that wireless translantic telephony is not at present profitable.

Whether or not this is the explanation, many persons who have held MacKay common for years are beginning to worry.

Wall Street Not Enthusiastic

It is thought possible that interests unfriendly to the Mackay Companies, and who have the ear of some types of investors, have been responsible for propaganda adverse to the cable system. It is recalled that Wall Street generally is not friendly to the Mackay interests. The companies have done no financing for more than twenty years; expansion being financed out of earnings. When the Mackay interests desire to expand, the wherewithal comes from a strongbox in which are securities of highest grade which form the investment surplus of the holding company.

With no one in the stock market in New York especially interested in maintaining the good repute of the stock, adverse propaganda would be easily spread and no one would be concerned with counteracting it. In the circumstances, the stock likely would sag, especially in the kind of market that has prevailed in the last three weeks. It is thought that, until some definite unfavorable word is forthcoming, the investor would be well-advised to retain his stock in this company.

	Common—1927 High	Low
January	127½	119
February	126	119
March	126	120¼
April	123⅛	120
May	120½	119
Junex	120	110

xTo 25th.

CALGARY POWER 1926 EARNINGS WERE IMPROVED

Earned 6.6% on Common as Against 5.9% Last Year

From Our Own Correspondent.

MONTREAL.—The annual report of the Calgary Power Company for the 1926 fiscal year shows a steady betterment in earnings both gross and net. The increase is seen in the following comparison of income account and working capital figures over the past two years:

	Year ended Dec. 31, 1926	1925
Op. earnings	$430,689	$398,837
Other income	20,273	10,956
Total	$450,962	$409,793
Expenses	126,007	93,833
Net earnings	$324,955	$315,960
Bond Int. and Exch.	139,508	141,547
Balance	$185,447	$174,413
Depreciation	500,000	50,000
Balance	$135,447	$124,413
Income tax	10,020	11,077
Year's surplus	$125,427	$113,336
Prior surplus	458,622	x$345,286
P. & L. balance	$584,049	$458,622
% earned on com.	6.6	5.9

xAfter adjustment of $18,186 for additional depreciation, etc.

Working Capital

	1926	1925
Curr. assets	$239,485	$253,653
Curr. liab.	83,431	12,630
Net work. cap.	$156,054	$241,023

Balance Sheet Position

The decline in the net working capital of $85,000 shown in the foregoing figures is more than accounted for by company's expenditure on plant account. In this year's balance sheet, property is carried at $5,550,800—an increase of $230,614 as compared with a year ago. The investment account is shown on the balance sheet at a figure some $54,000 below last year. Cash account and accounts receivable show substantial gains over a year ago. Other changes in the assets are of a minor character.

In the liabilities the bonds outstanding have been reduced by $37,473 and now total $2,768,647. A new current liability in the form of bond interest of $69,233 makes its appearance and the reserve for depreciation and the surplus account have been increased by the amounts shown in the foregoing profit and loss figures.

BARCELONA TRACTION EARNINGS

May—	1927 Pesetas	1926 Pesetas	Change Pesetas
Gross earn.	6,806,944	6,574,742+	232,202
Oper exp.	2,117,279	2,334,167—	216,888
Net earn.	4,689,665	4,240,575+	449,090
5 Months—			
Aggr. gross	37,320,760	36,482,996+	837,764
Aggr. Net	26,673,423	25,181,262+	1,492,161

NATION'S BUSINESS

(Continued from page 1)

jurisdiction, with a practical as well as a progressive touch.

Canada is not without research work at the present time, Ottawa points out that sixty odd researches are now being carried out on a co-operative or other basis with the National Research Council taking the lead. Some of these have been detailed. It is a good thing that the publicity men in Mr. Malcolm's department have brought these to the light, for, as The Financial Post has previously charged, the Research Council is a somewhat cloistered body that has not sold itself to the public nor won public interest in its work. The result of its shyness has been that expenditures upon research have been regarded by many people as somewhat wasteful donations to a purely academic work of doubtful value.

* * *

PLANS will likely be announced by Ottawa shortly, outlining its plans in research work. But it is apparent that they will include the establishment of laboratories. It is pointed out that while pure science must be pretty well left to the universities, it is the aim of the government to coordinate all the forces now engaged in industrial and scientific research under one common aim, with a system of laboratories as the national brain of the direction of the entire activity. It is the desire to concentrate present earnest, but more or less haphazard endeavor under one head, to bring about uniform activity and effort, and to eliminate so far as possible wasteful duplication. The men and the brains are available. The Research Council has effected an agressive co-operative system. It is now proposed that there shall be established a national institution, thoroughly equipped and efficiently manned, whereby all effort shall be focused on one aim.

SHEER STUPIDITY ROBS CANADA OF PROMISING FLOW OF IMMIGRATION

(Continued from page 1)

couragement to create obstacles in the way of people coming to Canada, promptly withdrew its sanction to this useful, almost indispensable, movement of agricultural laborers and, consequently, the door is now closed tight on immigration from central Europe. As President Beatty recently and pointedly observed: "You cannot turn immigration on and off like a water tap."

Harvest Labor Problem

In spite of the shortage in acreage in Manitoba and Saskatchewan, the West in all probability faces the greatest crop in its history this year. Everything points to that. Furthermore, it is going to be a very late crop with an enormous amount of straw to handle. It will be a case of "seizing time by the forelock" under the best conditions. When the rush for harvest help comes, it will be of unprecedented proportions. Where is this extra manpower going to come from? Eastern Canada is fully employed and cannot contribute even its usual quota. The United States is in the same position. Will the great army of conscientious objectors in our Western cities take their coats off and get to work in our harvest fields when the time comes? They will probably be more congenially occupied at home, while the western farmer, as a result of a mad scramble for help, will be held up for a rate of harvest wages that the agricultural industry cannot profitably pay.

Smashing the Machine

For sheer unadulterated stupidity this present situation stands absolutely unrivalled. It is a case of "fools rushing in where angels fear to tread." Just when we get a useful movement of bona fide, trained farm labor going, which, on the whole, was being satisfactorily absorbed, the first hitch that occurs in the carefully planned routine a bunch of excited town people are able to jump in and smash the whole worldwide and complicated machine.

Having put a full stop to the task of domiciling an adequate volume of farm labor on the prairies, this coming autumn we will again be rushing into the highways and byways and slums of our industrial cities in a frantic search for the usual brand of useless, itinerant harvest help, and during the winter months western cities will again be infested with "red" unemployables, holding indignation meetings and formally prescribing the precise living conditions upon which they will continue to favor them with their presence.

Bitter and Sweet

The West needs workers rather than agitators. A splendid crop is almost assured if the necessary labor can be obtained to save it. Our western cities now see visions of the golden flow from the farm coming their way presently. But they will not apparently take the bitter with the sweet. They do not seem to realize that we cannot have a vigorous flow of population without its inevitable by-product: periods of unemployment. They are not willing to assist constructively in the task of absorbing new people. The possible problem of expending a few thousand dollars on temporary unemployment relief looms much larger on their mental horizon than the substantial benefit they will receive from an enlarged and prosperous agriculture.

The educational institutions of the West are spending millions annually on turning out a horde of professional men that the country can never hope to absorb, and who are compelled to seek employment elsewhere, resulting in a total loss of our educational investment. This gives us no particular concern. But a few thousands devoted toward the orderly placing of much needed manual laborers upon our farms at once leads to an outbreak of hysteria. We should by all means cultivate a proper sense of proportion!

Unemployment Problem

Why did we not have acute winter unemployment in days gone by when immigration was heavier and urban employment much scarcer than it is to-day? There are several reasons. Seasonal workers on farms generally contrived to remain there for the winter months at a low wage against helping with the chores and light work around the place. Few farmers would turn a decent man away who would remain under such conditions. Our organized-labor ridden towns now, however, seem to lay down the principle, that a laborer must remain in idleness unless he can be employed at standard wages. That, in fact, the "world owes a man a living" at union rates.

The idea of organizing employment at such tasks as crushing stones, and many other jobs that can be performed in the winter season, at a rate of pay just sufficient to buy bread and board, cannot be entertained on account of opposition by labor unions, who pretend to believe that it is more dignified for a man to accept charity than to do honest work at a lower scale of wages. These notions are completely undermining the morale of our casual labor.

Wanted: Continuity of Policy

In an overwhelmingly agricultural country, such as Western Canada is, the question of winter unemployment cannot be eliminated. Periods of unemployment due to the vagaries of the weather may also occur at other seasons of the year. Such problems are in idental to pioneer farming in countries with a severe winter climate. If we are to have agricultural development, we must find the way to worry along under these handicaps. They should be solved co-operatively by the towns and the Federal and Provincial Governments and without the slightest reference to union ideas as to wages and standard living. That is the only sound and humanitarian basis in the end.

The towns must cheerfully bear their share of the burden of carrying surplus man-power over the idle periods. What is needed is system, organization and rational thinking. Canada's immigration and unemployment problems are co-related and should be handled by the same authority.

What is badly needed is an independent, non-political body, like our Board of Railway Commissioners, to formulate forward looking policies and direct our activities into sensible channels, and, above all, to pursue a steady course with definite ends in view, without being swayed this way and that way by considerations of political expediency, as was obviously the case in the present instance.

FOREIGN EXCHANGES

July Dividends Will Affect Market

There was little demand for either Canadian or New York funds during the week, consequently the former continued to sell at a discount of roughly one-eighth of one per cent. In view of the heavy dividend payments to be made in New York the first half of July, it is likely that the discount rate will move to a higher level, although it is possible that the expected large influx of American tourists will offset this situation and confine the discount rate within a narrow range.

Sterling rate has been well maintained during the past couple of weeks on account of the abnormal capital and gold movements. Under ordinary circumstances, the course of Sterling in the months immediately ahead is downward, but this year much will depend upon the continuance of capital movements. If there is no letup, then the rate should remain at or about the present levels. There is also a possibility that if France and other European countries continue buying gold in London, it may force British money rates to the point where capital will flow to London in greater volume than at present.

Interest in Italian lire still runs high. Early in the week, European speculators were buying heavily and rates advanced. This movement did not meet with official approval and heavy liquidation with profit took place. The rate declined rapidly as a result of the heavy selling but later on stiffened when buying took place ostensibly on behalf of the government.

Pesetas also came in for a lot of attention, many exporters covering their commitments for several months ahead. It is believed that the recent slump was only a technical reaction and that the rate will come back strongly. Spain's financial position is now better than at any time since the war. The de Rivera government has been practising economy and the cessation of expenditures on Morrocan warfare, has eased up the pressure on the treasury.

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last Year High (Discount)	Last Year Low (Discount)
June 23	5-64	1-32	5-32	11-64
June 24	1-8	1-16	11-64	11-64
June 25	1-8	1-8	11-64	11-64
June 27	9-64	1-8	11-64	3-16
June 28	5-32	9-64	11-64	3-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
June 23	4.85¼	3.91½	5.72½
June 24	4.85 5/16	3.91½	5.80
June 25	4.85 5/16	3.91½	5.79½
June 27	4.85 5/16	3.91½	5.68
June 28	4.85¼	3.91½	5.62

FOREIGN EXCHANGE

Par		June 22	June 28
13.90	Italian	5.66	5.63
32.45	Brazilian	11.82	11.75
23.82	German	23.70	23.73
19.30	Belgian	2.78	2.78½
84.85	Japan	47.25	47.25

NEW MILL STARTS

MONTREAL. — The Superior Paper Mills will commence operations during the first week in July, at Thorold, Ontario, where the old plant of the Peerless Pulp and Paper Company has been acquired. The new company will produce some 4,000 tons annually of tissue and light-weight specialty paper.

Investment Recommendations for July investment funds

Public Utility Bonds		Approx. Yield
CITIES SERVICE CO.	5% Bonds, due 1966	5.50%
WINNIPEG ELECTRIC CO.	6% Bonds, due 1954	5.95%
Industrial Bonds		
FRENCH NAT. MAIL S/S LINES	6% Bonds, due 1952	6.70%
HARRIS ABATTOIR CO. LTD.	6% Bonds, due 1947	6.00%
SPRUCE FALLS POWER & PAPER CO.	5½% Bonds, due 1940-42	5.50%
Preferred Stocks		
J. S. MITCHELL & CO. LTD.	7% Preferred	7.00%
CANADIAN BRONZE CO. LTD.	7% Preferred	7.00%

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Due to the large areas of forest reserves and water power resources held by the Company in Canada it has greatly expanded the development of its low-cost Canadian properties, replacing to an extent its high-cost American production. The Company now has 23 pulp and paper mills including some of the largest and most efficient plants in the world with a combined capacity of more than twice that of any other company on this continent.

The company's timber holdings cover 13,587,759 acres, an area almost equal in size to the Province of Nova Scotia. This constitutes one of the largest areas of timber lands controlled by any one group in North America. Its wood reserves are estimated to contain sufficient raw material to operate the 23 mills at the present rate of production in perpetuity.

We consider the Cumulative 7% Preferred Stock of the International Paper Company a sound investment giving an exceptionally attractive interest return

Price $99 per share, to yield over 7%

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MONTREAL, CANADA

DOMINION STEEL EARNINGS MOUNT TO BETTER LEVELS

Annual Report Shows Good Surplus in 1926 Year

From Our Own Correspondent.

MONTREAL.—The annual report of the Dominion Steel Corporation for the 1926 fiscal year proved to be a decidedly more cheerful document than was generally anticipated. The report contains a balance sheet and income account covering the consolidated operations of the company and its subsidiaries and also another balance and income account which excludes the operations of the Dominion Iron and Steel Company which since last July has been in the hands of the receiver.

From the following income accounts it will be seen that after all charges, the corporation was able to transfer no inconsiderable sum to surplus account:

	Excluding Dom. Iron	With Dom. Iron
Profits	$3,251,937	$3,833,274
Dep. and Sink. fd.	899,922	1,089,625
Bond int.	394,146	1,159,659
Bond disc.	19,465	75,527
Net profits	$1,938,404	$1,508,463
Prev. surplus	11,582,468	12,012,115
Balance	13,520,872	13,520,578
Adjustment	....	90,360
P. & L. bal.	13,520,872	13,610,938

The Liquid Position

The comparison of income accounts and balance sheets with former years is impossible because no annual reports were issued. The most interesting portion of the report, however, is contained in the remarks of the president, in which he reviews the whole situation surrounding the corporation and in which he says in part:

"This balance sheet indicates that the holdings of your corporation in companies other than the Dominion Iron & Steel Co. have a very substantial value. The combined net cost of the various properties after deducting nearly 30 per cent. for depreciation and depletion is $33,410,933. These properties are charged with obligations in the form of bonds and debentures amounting to $7,583,000, or less than 23 per cent. of their net value as it appears on the books of the companies.

Current and working assets to the amount of nearly $5,500,000 are held against current liabilities amounting to $1,300,000. There is, however, an adverse balance of accounts with associated companies which will require approximately $3,500,000 to liquidate. There is also the contingent liability with respect to the corporation's guarantee of the currency bonds of Dominion Iron & Steel Co. Against these the corporation holds the income bond of Dominion Iron & Steel Company of $3,500,000 and all its common stock, in addition to over $2,000,000 second preferred and common stock of the British Empire Steel Corporation.

The Dominion Coal Company whose indebtedness to Dominion Iron & Steel Company is the largest item in the liability to associated companies has at its disposal $5,000,000 of its first refunding bonds, and is in a position to liquidate its indebtedness without difficulty.

At the time the receiver was appointed and took possession, the Dominion Iron and Steel Co. owed its bankers about $2,350,000, payment of which was secured by receipts under section 88 of the Bank Act, giving the banks a first lien on inventories, bills and accounts receivable, etc., and guaranteed by the Dominion Steel Corporation. Although the National Trust Company as trustee for the bondholders has not made a definite claim upon these inventories and receivables, it has refused to admit that the banks have a claim prior to that of the bondholders.

Dispute With Company

In order to avoid the closing down of the steel plant which might have occurred if the settlement of this question had been referred to the courts, the receiver requested the banks and the Dominion Steel Corporation as guarantor to enter into an agreement to apply to the court for an order to create a fund sufficient to cover the company's indebtedness to the banks, to be held as a special deposit until the ownership could be determined. This was agreed to, and sufficient funds have been deposited to liquidate the company's liability to the banks.

Your directors are convinced that this fund belongs to the banks and should be applied to the liquidation of the company's indebtedness. They have repeatedly urged the National Trust Company to assist them in having the liability, if any, of, the Dominion Steel Corporation upon its guarantee determined, but without success. Recently, when the court was asked to determine the ownership of the $2,400,000 on deposit, and for this purpose to order the hearing of a stated case, the trust company, together with the Canadian Bank of Commerce and the Bank of Montreal, opposed the efforts of your directors to have the ownership of the funds determined.

Your directors have reason to believe that it is the desire of the National Trust Company, with the assistance of the Canadian Bank of Commerce, to keep this question undetermined so as to make it difficult or impossible for the Dominion Steel Corporation to settle with its only creditor of any importance, and thereby possibly force the Dominion Steel Corporation into liquidation.

Dominion Steel Case

Recently the National Trust Company, having for that sole purpose purchased one of Dominion Steel Corporation's preference shares, petitioned the court to appoint their nominee, Royal Trust Co., as liquidator for Dominion Steel Corporation so that the corporation might be wound up. The petition claimed many things, but the only material ground was that they desired to prevent the possibility of the assets of the corporation being sacrificed and dissipated as a result of proceedings that might possibly be taken by holders of the bonds of Dominion Iron & Steel Company that are guaranteed by your corporation.

At the same time they petitioned the court that the British Empire Steel Corporation should be forthwith wound up.

The court in a reasoned judgment dismissed the petition to wind up the British Empire Steel Corporation, but has not rendered judgment upon the petition to wind up the Dominion Steel Corporation. The only distinction between the two cases arises out of the liability of your corporation to the holders of the guaranteed bonds of the steel company and your directors believe that a satisfactory settlement with them is possible.

Advertising Canada in British Isles

Canadian Pacific Railway has a travelling van touring the British Isles with displays of Canadian pictures and products. Photo shows the van leaving Trafalgar Square, London, for a tour.

July Dividend Payments

Summary of Payments

Dividends	$20,053,513
Bond Interest	14,271,634
Total	$34,325,147

Industrials, Utilities, Etc.

Company	Rate	Date	Amount
Abitibi Paper, com.	$1.25q	20	$312,500
Do., pref.	1¾q	4	17,500
Alta. Pac. Gr. pref.	1¾q	1	52,500
Amer. Cyanamid pref.	1½q	1	83,938
Amer. Salesbook com.	$1q	2	30,733
Asbestos Corp. pref.	1¾q	15	130,487
Belgo-Can. Paper com.	1½q	12	127,500
Do., pref.	1¾q	2	87,500
Bell Telephone	2q	15	981,608
Brand.-Hend. pref.	1¾q	1	8,750
Brit. Amer. Oil	25c.q	4	323,088
Burt, F. N. com.	75c.q	2	79,530
Do., pref.	1¾q	2	1,723
Brazil Trac. pref.	1½q	1	150,000
Brew. & Dist. com.	2½s	15	122,500
Brantford Cord. pref.	2%	15	89,750
Build. Products pref.	1¾q	1	13,125
Brompton	50c.q	15	70,000
Can. Canners pref.	1¼q	2	113,927
Can. Explosives com.	2q	15	208,548
Do., pref.	1¾q	15	81,375
Can. Bread, 1st pref.	1¾q	1	21,875
Do., "B" pref.	1¾q	2	43,750
Can. Car pref.	1¾q	9	131,250
Canada Cement com.	1½q	16	202,500
Can. Conn. Cot. pref.	1q	1	30,000
Can. Cottons com.	2q	5	54,310
Do., pref.	1½q	5	54,922
Can. Gen. Elec. pref.	1¾q	1	149,759
Can. Indus. Alcohol	32c.q	15	256,000
Can. Loco. pref.	1¾q	1	26,250
Can. Nor. Pr. Land pref.	5s	15	75,000
Can. Nor. Power pref.	1¾q	15	83,125
Canadian Salt	2q	1	30,000
City Dairy com.	75c.q	1	22,600
Do., pref.	1¾q	1	12,250
Consumers Gas	2½q	2	300,000
Cons. Smelters	5+5s*	15	3,177,637
Can. Oil pref.	2q	1	40,000
Can. Steamships pref.	1½q	2	225,000
Canada Paper pref.	1¾q	1	21,875
Can. Paperboard pref.	1¾q	1	5,250
Dom. Stores com.	60c.q	1	45,000
Dome Mines	25c.q	20	238,333
Dom. Glass com.	1¾q	2	74,375
Do., pref.	1¾q	2	45,500
Dom. Power pref.	1¾q	2	91,203
Dom. Textile com.	$1.25q	2	281,250
Do., pref.	1¾q	15	33,950
Dul. Sup. Tr. com.	$1.00s	1	35,000
Dunlop Tire pref.	1¾q	1	10,500
Eest. Theatres pref.	3½s	30	17,500
Fraser Co. pref.	1¾q	1	40,687
Gilman Fanfold com.	1½q	2	15,000
Do., pref.	1¾q	2	13,125
Goodyear Tire pref.	1¾q	2	78,750
Do., prior pref.	1½q	2	51,747
Goodyear Cot. pref.	1¾q	1	8,312
Gould Pumps com.	2q	1	14,950
Do., pref.	1¾q	1	13,080
Greening Wire pref.	1¾q	1	11,375
Gotfredson Corp.	37½c.q	15	37,500
Hayes Wheel pref.	1¾q	1	11,375
Hillcrest Coll. com.	1½q	15	15,000
Do., pref.	1¾q	15	12,349
Hollinger Mines	2m	15	492,000
Holt Renfrew pref.	1¾q	2	17,500
Hunts, Ltd. pref.	2½c.†	1	6,125
Illinois Trac. pref.	1½q	1	109,342
Inter. Paper pref.	1¾q	15	506,311
Do., pref.	1½q	15	43,318
Inter. Utilities "A"	87½c.q	15	117,041
Jamaica Pub. Ser. pref.	$1.75q	2	13,125
Lake Ont. Brew.	50c.	15	11,000
Laura Secord pref.	1¾q	1	13,125
Laurentide	1½q	2	432,000
Laurentide Power	1¼q	15	131,250
Loew's Lon. com.	25c.+5c.*	15	15,000
Do., pref.	3½s	15	11,808
Loew's, Marcus, pref.	3½s	15	22,886
Mackay com.	1¾q	1	724,157
Do., pref.	1q	1	500,000
Maple Leaf Mill pref.	1¾q	18	51,275
McKinnon Ind. pref.	1¾q	1	17,500
Maritime Tele. com.	1½q	1	12,750
Do., pref. "A"	1½q	1	15,000
Do., pref. "B"	1¾q	1	26,250
Mining Corp.	12½q	15	207,506
Mont. Telegraph	2q	15	40,000
Muirhead's Cafet. pref.	25c.	1	8,750
Montreal L. H. & P.	50c.q	30	1,020,918
Nat. Grocers 1st pref.	2q	1	20,000
Nat. Breweries com.	$1q	1	180,343
Do., pref.	1¾q	1	48,562
Nipissing Mines	1½q	20	90,000
North Star Oil pref.	1¾	4	17,500
North Mex. Power com.	1	1	100,000
Do., pref.	1¾q	1	52,500
North. Ont. L. & Pr.	3s	25	72,000
Ogilvie Flour com.	$1.25q	2	93,750
Ott. L. H. & Pr. com.	1½q	1	52,500
Do., pref.	1⅝q	1	24,375
Ott. Mont. Pr. pref.	1¾q	15	13,125
Ottawa Trac.	1q	2	55,815
Pacific Burt com.	1½q	2	9,813
Do., pref.	1¾q	2	11,301
Power Corp. pref.	1½q	15	37,500
Price Bros. com.	½q	2	213,416
Do., pref.	1⅝q	2	113,700
Premier Mining	8c.q	5	400,000
Penn. Water & Pr.	2q	1	214,924
Porto Rico Rlys. pref.	1¾q	1	17,500
Page Hersey com.	75c.q	1	83,340
Do., pref.	1¾q	1	52,500
Pressed Metals	75c.q	15	16,597
Do., pref.	1¾q	11	5,590
Provincial Paper com.	1½q	1	52,500
Do., pref.	1¾q	1	29,750
Quebec Power	1¾q	11	70,459
Rogers, Wm., pref.	1¾q	2	19,649
Shawinigan W. & Pr.	50c.q	11	550,000
Shredded Wheat	75c.q	1	300,000
Smith, H. Paper pref.	2q	11	31,994
South. Can. Pr. pref.	1½q	15	72,977
Stanfields	$1q	10	10,000
Span. R. Pulp com.	1¾q	15	165,322
Do., pref.	1¾q	15	150,840
Sterling Coal	1q	4	25,000
St. Maur. Val. pref.	1¾q	2	140,000
Traymore pref.	1¾q	1	14,875
Trinidad Electric	1¼q	11	14,550
Tuckett Tobacco com.	1q	15	25,000
Do., pref.	1¾q	15	35,000
Tooke Bros. pref.	1¾q	15	17,237
Twin City com.	$1q	1	220,000
Do., pref.	$1.75q	1	52,500
United Secs. pref.	1½q	1	76,879
Western Grocers pref.	1¾q	15	20,899
Wabasso Cotton	$1+50q*	2	52,500
West Koot. Pr. pref.	1¾q	2	8,750
Winnipeg Elec. pref.	1¾q	1	52,500
Woods Mfg. pref.	1¾q	2	26,744
			$17,994,109
Banks			
Dominion	3q	4	$180,000
Montreal C. & D.	$2.50q	2	49,952
Nova Scotia	4q	2	400,000
			$629,952
Loan, Trust, Insurance			
Can. Landed	2½q	2	30,125
Canada Permanent	3q	2	210,000
Can. Perm. Trust	1¼q	..	12,500
Canada Trust	5s	2	50,000
Canada Life	5q	1	50,000
Can. Mort. Invest.	2½s	2	31,125
Central Can. Loan	3q	4	52,500
Chartered Trust	1¼q	1	11,718
Crown Trust	1½q	1	7,500
Comm. Finance com.	$2s	1	12,000
Do., pref.	3½s	1	49,000
Dom. of Can. Guar. Ins.	4¼q	1	17,127
East. Can. Savings	2q	1	15,000
Eastern Trust	2q	2	20,000
Excelsior Life	4s	2	5,600
Great West Life	10s	1	100,000
Guar. of N. Amer.	3q	15	9,138
Huron & Erie Mtge.	1¾q	2	87,500
Imperial Life	3¾q	1	28,125
Landed Banking	5s	2	50,000
Lon. & West. Trust	2q	2	10,000
Manuf. Life	4s	1	15,000
Montreal Trust	4¼q	1	42,500
Monarch Mtge. Com.	5c.s	15	5,000
Do., pref.	4s	15	40,000
Mutual Finance pref.	4s	15	27,360
National Life	2½q	1	6,250
National Trust	3q	2	67,500
North Amer. Life	5s	1	3,000
Ont. Loan & Deb.	3q	2	52,500
Real Estate Loan	3½s	4	17,500
Royal Loan & Sav.	2½q	2	15,000
Royal Trust	4q	1	40,000
Sterling Trusts	3s	1	17,376
Sun Life Assur.	3¾q	1	47,750
Toronto Gen. Trusts	3q	1	60,000
Toronto Savings	3½q	1	35,000
Toronto Mortgage	2½q	1	18,112
Trusts & Guar.	3s	1	43,146
Union Trust	1¾q	2	17,500
			$1,429,452

q—Quarterly.
s—Half-yearly.
m—Monthly.
*—Bonus.
†—For period Mar. 15 to July 1.

BOND INTEREST DUE IN JULY

Company	Rate	Date	Due	Amount
Abitibi Trans.	7½	1	1942	$ 18,000
Abitibi Pulp	6	2	1940	101,658
Asbestos Corp.	6	1	1941	70,989
Do.,	5	1	1942	15,842
Atlantic Sugar	6	1	Serial	20,850
Acadia Sugar	6	1	1946	75,000
Belgo-Can. Paper	6	1	1943	283,635
Burns, P.	6½	1	1943	97,551
Calgary Power	5	1	1940	70,152
Canadian Canners	6	2	1950	79,200
Canadian Salt	6	1	1946	45,000
Canada Iron	6	1	1939	17,610
Can. Cottons	5	2	1940	105,375
Can. Locomotive	6	1	1951	39,294
Cape Breton Elec.	5	1	1932	27,400
Cedar Rapids	5	1	1953	346,680
Can. Light & Pr.	5	1	1949	82,492
Chomedy Apts.	6½	1	1941	10,562
Christie Brown	6	1	1935	15,000
Chateau St. L. Apt.	6½	1	1940	24,357
Carl. & Charles Ter.	7	2	1928-33	1,540
Dom. Rubber	5	1	1947	200,000
Fraser Companies	6	1	1950	180,000
Inter. Milling	6	1	1930	14,175
Inter. Paper	5	1	1947	450,900
Jamaica Pub. Ser.	6½	1	1943	32,045
Metropolitan Bldg.	7	15	1944	35,875
Mont. Ins. Bldg.	6½	15	Serial	71,500
La Patrie Pub.	6½	1	1943	16,250
Laurentide Power	5	1	1946	169,050
Do., "A"	5½	1	1946	37,750
Maritime Tele.	5	1	1956	25,000
Do.	6	1	1941	45,000
Manitoba Power	5½	1	1951	275,000
Mt. Royal Hotel	7	1	1942	134,400
Mont. L. H. & P.	4½	1	1932	142,335
Montreal Trams.	5	1	1941	533,770
Moirs	6½	1	1946	32,500
Montreal Apts.	6½	1	1940	60,937
Nat. Breweries	6	1	1939	32,475
North. Ont. Light	6	1	1946	157,500
Ontario Steel	6	1	1943	11,955
Ont. Pulp & Paper	6	1	1931	30,984
Ottawa Traction	5½	1	1955	82,500
Ottawa Gas	5	1	1934	3,750
Page-Hersey Tubes	6	1	1946	57,000
Penn. Water & Pr.	5	1	1940	287,650
Professional Off.	7	1	Serial	9,625
Quinte & Tr. V. Pr.	6	1	1955	12,000
Rio de Janeiro	5	1	1935	625,000
St. Jas. Court Apts.	6½	30	Serial	8,125
St. Cath. St. Realty.	6½	1	1946	8,937
Sherwin Williams	6	1	1941	42,252
Simpson, Robt.	5	1	1952	44,180
Smith, H. Paper	7	2	1941	144,620
St. Law. Flour	6	1	1941	2,715
Steel of Canada	6	1	1940	177,276
Shaw. W. & Pr. 'B'	6	1	1950	155,310
Do., 'C'	6	1	1950	172,785
Sterling Coal	6	1	1940	25,158
Sherbrooke Rly.	5	1	1940	31,187
Sao Paulo Elec.	5	1	1962	243,332
Sydney & Glace B.	5	1	1932	8,875
Span. R. Pulp	6	1	1931	47,148
Stadacona Hydr.	5	1	1931	7,480
200 St. Clair	7	1	1945	6,300
Wayagamack	6½	1	1930	48,750
West. Dry Dock	6	1	Serial	10,200
Western Power	5	1	1949	115,150
Windsor Hotel	6½	1	1943	81,250
Winnipeg Elec.	5	1	1935	124,950
Winn. Selkirk Rly.	5	2	1933	1,250
Vanc. Pr. deb.	4½	15	....	11,054
Do., pre. deb. stk.	4¼	2	....	163,687
Viau Biscuit	6½	1	1946	13,000
Corporation Bonds				7,010,102
Municipal Bonds				x4,062,500
Provincial Bonds				x3,199,032
Total				$14,271,634

xFigure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

Great Lakes Paper is to Build Larger Mill

From Our Own Correspondent.

MONTREAL.—The Great Lakes Paper Company, controlled by the Backus interests, has been negotiating with the city of Fort William regarding the proposed newsprint mill in that city. The company wishes to increase the capacity of the projected mill from 100 tons to 500 tons. This will involve some changes in the arrangements which the company has already concluded with the city.

What Does "Succession Duty" Mean to You?

To assist you in determining just how succession duty rates in Ontario will affect your estate, we have prepared a digest of this Act in an easily understandable form which we would be pleased to mail you upon request.

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	%	Maturity	Price	Yield
Canadian National Railways (Dominion of Canada Guarantee)	4½	July 1, 1957	98.50	4.60%
Township of East York	5½	Apr. 1, 1931-7	to yield	5.00
State of Pernambuco (Brazil)	7	Mar. 1, 1947	97.75	7.20
Corporation				
Bell Telephone Co. of Canada, Ltd.	5	June 1, 1957	102.50	4.85
Gatineau Power Company	5	June 1, 1956	Market	5.15
Southwestern Light & Power Co.	5	Feb. 1, 1957	97.00	5.20
Minnesota & Ontario Paper Co.	6	May 1, 1950	100.00	6.00
Drummond Investment Co., Limited	6½	May 1, 1938	101.00	6.38
Mayor Building, Limited	6½	May 1, 1942	100.00	6.50

Further particulars of any of these securities on request.

Orders may be telephoned or telegraphed at our expense.

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TORONTO, JULY 1, 1927

ANOTHER HYDRO YEAR

RECENTLY a band of boosters for the Ontario Hydro-Electric Power System gathered at Kitchener to celebrate the anniversary of the founding of their system. Now the nineteenth annual report of the provincial commission is made public. The system is indeed getting a background of years behind it.

The new report is a most comprehensive volume and contains much information that is of value to the executives of private power companies and to electrical engineers, as well as to the owners of the system, who are the people of Ontario.

The report does not reveal more than the normal expansion in the system during the year. The usual steady growth in power sales that most private or publicly-owned utilities enjoy, has been maintained. The peak power load, being supplied at October 30 last, was 928,032 horsepower as against 867,443 to October, 1925.

The amount of capital invested in the system rose by only $1,400,000 during the year to $278,135,299, including $203,442,758 in the provincial system and $74,692,541 in the municipal systems. The increase in power sales, effected without increase in capital investment, is a step forward for it means that gradually the surplus power supply of the commission created by enormous investment in new plants is gradually being taken up. The largest increase in power load naturally comes each year in the Niagara system and provision has been made against shortage of power on this system by the purchase of power from a private company in Quebec. To utilize this power, investment will have to be made only in transmission lines.

During the year, depreciation, sinking fund and other reserves of the commission and municipalities increased by $9,000,000 to $55,471,213.

These are the high lights, financially, in the report of the commission and each points in the same direction. Under the new chairman, Hon. C. A. Magrath, a policy of consolidation is being followed out; power sales are being increased without lavish outlays in new plant; reserves are being set up; more attention is being paid to finances and less to new power development. This policy is essential, if the investment of Ontario people in their system is to be protected.

The report discusses, as usual, the comparative cost of power in Ontario and American centres and it is stated that the average cost of electricity to the domestic consumer in Ontario is less than 2.1 cents per kilowatt hour. Examination of the individual statements of the power and lighting costs in the municipalities indicates that, generally speaking, there has been a steady decline in domestic lighting costs in Ontario, until the past two or three years when rates have been comparatively steady. On the other hand, rates for industrial power have shown almost equally steady advance, raising the question as to whether a large part of the reduction in domestic lighting rates has not been achieved at the expense of industrial power users. For instance, in Toronto the average rate for domestic service declined again from 1.8 cents per k.w.h. to 1.7 cents per k.w.h. But power rates increased from $24.28 per horsepower to $24.51. This is the highest point on record. The record is even more striking when the comparative cost of domestic and industrial power in 1917 and 1926 are compared. The figures are as follows:

	Domestic	Industrial
1917	2.7c. per k.w.h.	$19.92 per h.p.
1927	1.7c. per k.w.h.	$24.51 per h.p.

House rates have declined 37 per cent. Power rates have increased 23 per cent.

In these figures we may have an explanation of why Quebec is advancing more rapidly industrially at the moment than the province of Ontario. Ontario business men have real cause for concern in these figures.

The report is, however, chiefly notable for its evidence that financial strength is being built into the enterprise from within, always a sound effort whether in a private or a public enterprise.

EMPIRE WITHIN EMPIRE

AN EMPIRE within an Empire is the phrase that might be used to describe the British Colonial possessions and states. The average person, when the British Empire is mentioned, thinks of Great Britain, Irish Free State, Canada, Newfoundland, South Africa, Australia, India and New Zealand. These entirely independent nations, bound together by their own willing consent for purposes of defence and interchange of the articles of commerce and the ideas of mind, comprise the more spectacular British Empire, that commonwealth of free nations which, as Sir George Hurst remarked the other day, has had no previous counter-part in history. But there is another British Empire.

The miniature Imperial conference which closed in London the other day brought the representatives of the states in this Empire together. It was a revelation to many to find so many countries, mandated territories and protectorates within the Empire apart from the self-governing dominions.

There are in the British Empire at least nine different types of political units. There is Great Britain itself, the central state; the Indian Empire, governed by the King as Emperor; the Imperial Dominions, with responsible government, such as Canada, Australia, etc.; Dominions with elected legislatures and appointed cabinets, such as most of the British West Indies; Dominions, where both governor and councils are appointed, such as Ceylon, Straits Settlements, etc.; colonies where all power is vested in a governor, such as St. Helena, Basutoland, etc.; protectorates; spheres of influence; and mandatory spheres. It is in the last six classes that the little British Empire is to be found.

Their total population is great enough to make them important markets.

In considering the question of extending Canadian trade within the Empire we must not forget that the Empire consists of more than the self-governing Dominions. Canada wants to trade with these smaller Imperial units.

STUDYING A NATION

THE trans-Canada tour that is being arranged by the Canadian Chamber of Commerce for September presents a call and an opportunity to the business men of Canada to become a little more intimately acquainted with some of the newer areas of their country. In its brief history, the chamber has shown itself as possessing men of initiative among its executive and the arrangement of a trip to cover Canada, from Toronto and Montreal in the East, to Vancouver and Prince Rupert in the West (with a side trip to Alaska), is most commendable. It will be recalled that the Chamber went to the Maritimes for its meeting last fall and thus can not be charged with counting the Atlantic provinces out of its field of service.

The advantages to be gained from joining in such a travelling party of business men are well forecast by W. McL. Clarke, secretary general of the Chamber, in a foreword he writes for the booklet describing the trip. He says:

"Journeying across the continent, the business men of Canada, as they travel and meet together at so many of our economic focal centres, will come to know and appreciate the better those common sentiments and ideas which undergird our national life. What is more, the business men of the Maritimes and central Canada, and of the Prairie and Pacific communities, will recognize in one another the same Canadianism which each is so proud to claim and possess.

"This wider knowledge and recognition, coupled with the establishing or re-establishing of contacts, the interchanging of points of economic view, and the assimilating of National wisdom, are destined to lead to the fashioning of wholesome economic policies..... There is a growing consciousness that, despite our geographical fences, the nine component provinces of Canada are partners in a common economic undertaking, and that a business-like administration of our country prescribes and forecasts a united people."

It is particularly fortunate that the tour coincides with the visit of a group of English Parliamentarians who will join the party. This, says Mr. Clarke, "should stimulate Imperial thinking and action in Canada."

PLANNING VANCOUVER

THERE is little wonder that Vancouver and its neighbors are discussing amalgamation. Vancouver is the most rapidly growing large centre in Canada and the Greater Vancouver area, its directory publishers now declare, has a population of 317,000. The increase in the past year is given as 38,000.

With Vancouver's efforts to fuse together the assorted and at times conflicting municipal units that make up the city and its environs we have no desire to interfere, either by way of criticism or approval. But in one respect Vancouver must bring its strongest minds among its civic officers, engineers, architects and good citizens to bear. That is in the proper planning of its growth in order that a haphazard city may not develop. Vancouver has reached a point where it is not unlike Chicago, which spreads out for many miles in every direction except where its growth is circumscribed by the waters of Lake Michigan. For many miles around Chicago all development by way of sewers, highways, subdivision development, etc., is now supervised by a regional planning commission which is planning all Cook County and areas beyond the county line many years ahead.

Vancouver aims at 750,000 in ten years. It may get there. Sometimes boomsters' dreams come true. They have as good a chance to come true in Vancouver and vicinity as anywhere. If Vancouver tries to put 750,000 people in a city allowed to grow by itself without direction the result will be civic tragedy.

AWAITING A DECISION

ONE of the most pressing national problems at the present time is concerned with the steel and coal industry of Nova Scotia. The disposition of the properties is of public concern. It is no mere private fight. The nation will pay if the industry is to be destroyed; the nation will benefit if the industry is made to pay.

It is not a problem to be settled in a moment. Its intricacies are beyond the comprehension of the layman who has not had an opportunity to spend much time in investigation and inquiry. But the problem is all the more pressing because of its intricacies.

National Trust Co., acting as a trustee, brought actions in the Nova Scotia supreme court to secure a winding-up order for British Empire Steel Corp. and its subsidiary holding company, Dominion Steel Corp. The arguments were heard late in March and early in April. Within a week or two the court announced that, in its opinion, the National Trust had not made out a case for a winding-up order on British Empire Steel Corp.

There can be no quarrel with a judicial decision. What concerns the public is that many weeks have passed and a decision is still awaited on the question of the application for a winding-up order in the case of Dominion Steel Corp.

Rightly or wrongly, National Trust in these applications attempted a shortcut to a desired end. That end, or aim, was the placing of the whole Besco fabric under the jurisdiction of the court in order that the receivers, as administrators, could determine what should be done in the interest of the shareholders and bondholders. Rightly or wrongly, a certain number of persons of ability and prominence believe that the present management of Besco should be eliminated. On the other hand, a very considerable body of shareholders has determined to ally itself with the present management in the belief that a receivership in the circumstances would be the inevitable forerunner of the wiping-out of many millions of dollars of securities. A phrase such as "winding-up" and a word such as "liquidation" are ominous in the ears of many shareholders.

What concerns the public and the security holders is that the delay in a judicial decision is one fact helping to prevent re-organization of the Nova Scotia steel and coal industry.

WHY NOT IN CANADA?

WITHIN recent months, two British manufacturers whose products are household words in most parts of the world, have come across Canada to manufacture their products. In one case a huge plant is now being built in one of the large Canadian cities, while the other firm purchased outright the plant of a Canadian manufacturer engaged in the same line of business. We, as Canadians, are glad to welcome these old-established concerns to our shores.

Both of these companies have since made stock issues with which to finance their new acquisitions in Canada, but none of this stock has been directly offered for subscription in this country. Certainly, there has been no reported sale of either security in the Canadian market. British or, for that matter, American manufacturers who are preparing to enter the Canadian market, would be well advised to build goodwill by offering the Canadian public an opportunity to participate in their securities.

EDITORIAL NOTES

THANK heavens, the Honolulu hop is not a new dance.

• • •

WHAT will the next sixty years bring to Canada? You can write your own ticket.

• • •

A NEW YORK woman left $10,000,000 in a will of only one essential sentence. But it should be explained that it was a long sentence with seven "ands" in it.

• • •

AN OIL pipeline from Alberta carrying fuel to heat the homes of Central Canada would eliminate for all time the worry incident to the continual labor turmoil in the anthracite industry in the United States.

• • •

THE PROPOSAL of the Bulldog Club of London to lengthen the heads of bulldogs and thus lengthen their lives by relieving the strain on their breathing apparatus, is another human gesture of contempt for nature. Apparently man considers nothing beyond his powers.

• • •

LAST WEEK reference was made in these columns to Miss Ada Mackenzie as "professional" of the Toronto Ladies' Golf and Tennis Club. There is a distinct difference between this title, somewhat inadvertently used, and Miss Mackenzie's proper relationship to the club, which is that of secretary. Miss Mackenzie is not a "professional"; in fact, is the amateur champion among Canadian lady golfers.

Robert Magill Forsook University for Business

Now is Secretary and Guide of Winnipeg Grain Exchange — Turned Down Attractive Offer to Join Wheat Pool Organization

By GARNETT CLAY PORTER.

DR. ROBERT MAGILL.

Where business men gather in the west to discuss economics, Dr. Robert Magill of Winnipeg is always in demand. He has, in the past twenty years contributed enormously to the business structure west of the lakes though the chief monument to his outstanding ability is the Winnipeg Grain exchange of today with its five hundred members. Since 1917 he has been secretary and guide of that huge organization. In no small way it is admitted Dr. Magill has made this city the most influential grain marketing centre in the world.

He is a man of keen mentality and extraordinary personality, having taken high honors at Queen's university, Belfast. He came to Canada from his home in County Down, Ireland, after having won his way through many centres of education through successive scholarships he secured. He became a professor in the Halifax Presbyterian college in 1903 and was principal in 1908 when he went to Dalhousie university.

Abandoned Gown for Desk

But Dr. Magill was needed in business and was forced to abandon his career as a professor to become a factor in financial and industrial enterprises. He accepted the position of chairman of the Royal commission regulating the hours of labor in Nova Scotia and in 1910 was made chairman of the Royal commission on grain elevators in Saskatchewan. This was the body that evolved the Saskatchewan Co-operative Elevator company, which proved one of the most successful co-operative enterprises on the continent.

In 1911 he studied the labor difficulties in the coal industry and was chairman of the conciliation board at Port Morien during the disputes between the men and the mine owners. It was in 1912 that Mr. Magill was asked to take the position of chairman of Board of Grain commissioners. It was at that time that his lines were cast definitely in the grain marketing industry of the country and he continued in that responsible position until 1916 when he became chairman of the Board of Grain Supervisors. He remained there until 1917 when the Winnipeg Grain exchange secured his services.

Remained With Private Marketing

An energetic effort was made by the organized farmers of the prairie provinces to have Dr. Magill take charge of the Consolidated Wheat Pool movement when the project was being formed in 1922. But he was committed to the private marketing industry in which he had so long been such a dominating factor. He did, however, go so far as to advise the men at the head of the farmers' co-operative marketing movement that their first step should be membership in the grain exchange. And this advice was very promptly acted upon.

As an analytical factor in business, Dr. Magill has taken a very prominent place. The exchange membership includes men whose companies represent a quarter of a billion dollars in their various assets. This is the organization that is such a tribute to Dr. Magill's energy and business sagacity.

He has found time from the multiplicity of his official duties to give his attention to service clubs and enter into the community spirit. While the boards of trade in the west secure him as a speaker on every possible occasion he finds time to employ his talent in this direction among other public-spirited organizations.

Has No Fear as to Markets

Dr. Magill does not agree with those who have given expression to the fear that Canada may produce such a surplus of grain that there may be difficulty in finding a profitable market for the products. He has frequently pointed out that history shows that every bushel of wheat ever produced was marketed and there is an ever-increasing demand for it. He has made some considerable study of the growing demand from the Orient for wheat food products. This is accepted by him as a gesture suggesting future markets of enormous possibilities. The market is developing, as he points out,—it is only a question of finding it and handling it as a business proposition.

There are few big industrial problems common to Western Canada that Dr. Magill is not requested to consider in one way or another. He is of the type that can almost instantly appraise a given proposition accurately.

This is the type of man guiding the fortunes of Winnipeg grain exchange, that to-day rivals the similar organization in Chicago.

What Banker Looks for in Industrial Securities

By J. G. WEIR,
Of McLeod, Young, Weir & Company.

The investment banker has rigid tests which he applies to industrial securities. These serve as a sound guide for the average investor, and deserve his close attention. The following are the tests that are applied.

Character of Industry.—Is the industry basic or fundamental and of a permanent character? The product should be a necessity rather than a luxury. The fact should not be overlooked, however, that conditions change and frequently articles once considered luxuries gradually become so much a part of our lives that they seem a necessity. The automobile is a good example of this.

Plant and Equipment.—The plant and equipment should be up-to-date and favorably located in respect to raw materials, markets and labor.

Management.—This is probably one of the most important factors in the safety of any industrial security. Bradstreet's reports over a period of years indicate that approximately 32 per cent. of all business failures is due to incompetent management.

The past record of management is the main test by which it can be judged, and here we take into consideration such indications as satisfactory earnings, which may be taken to indicate efficiency. Honesty, reputation, ability, judgment, standing in the community, etc., of both management and directors are of primary importance.

The management should have a substantial interest in the junior securities of the company—preferably control—so that they should have every incentive to devote their ability and energy toward the continuance of the success of the company. The management should not depend upon one individual, and, where such dependence occurs, it is generally suggested by the investment banker that heavy life insurance be carried by that individual in favor of the company; and, furthermore, that capable understudies be selected.

Earnings.—The earnings over a period of years should have been sufficient to meet all fixed charges by a satisfactory margin. Independent auditors selected by the investment banker go over the books in some cases for ten years back. Earnings during abnormal years should be discounted and the trend of earnings should be upward.

Competition.—It is preferable that the business be an openly competitive one, and the company should have demonstrated its ability to withstand competition. The investment banker compares the company with competitors in the matter of production costs, quality of goods, freight rates, advertising and sales policies, purchasing ability, locations, credit system, etc. Companies without competition generally become inefficient in management, and, as they make an abnormal profit, they eventually attract competition, with disastrous results to profits for at least the time being. All of this is very unsettling to the investor.

Tariff.—The constant agitation for tariff reduction in Canada makes it necessary to investigate very closely the tariff situation. The safest industries, from this viewpoint, are obviously those whose production costs, and whose relationship, to raw materials, are such that foreign countries in the same line of industry could not compete with them even if protection were reduced or withdrawn. In cases where there is an abnormally high tariff, it may be necessary to safeguard the issue by putting in a heavy sinking fund, or by other provisions.

Source of Supply of Raw Materials.—This is an extremely important point. Not only should a company have easy access to raw materials, but it should be assured of an abundant and uninterrupted supply. Wide fluctuations in the supply of raw material will likely cause similar fluctuations in earnings: e.g., cotton and rubber supply. Where there are such fluctuations, this can be remedied by insisting upon a larger reserve account than is usually customary. Long contracts ahead for raw material should be carefully scrutinized and comparisons made with prices over a long period of years to judge whether these contracts are taken at dangerously high prices.

Credits.—The company's credit system should be carefully studied.

Over-production.—The number of industries in the same line of business should be known, together with their capacity, their present output—if possible, their future intentions, etc.—in order that it may be determined whether or not there is over-production, or likely to be over-production. As over-production depends upon supply and demand, a careful study of the market for the finished product should be made.

Number of Customers.—It is much better that a company have a number of small customers than a few large customers. The reason for this is obvious, as, when there are, say, only four large customers, if two were lost at the same time, the plant would only run at fifty per cent. of its capacity; whereas it would be practically impossible to lose fifty per cent. of the customers at one time, if the company supplied a large number.

Inventory.—The supply of raw material, goods in process of manufacture and finished goods awaiting shipment is the inventory. It should be taken in the company's balance sheet at cost or present market value, whichever is the lower. An unusually heavy inventory over a similar period in another year should be investigated.

Depreciation.—A sufficient amount should be set aside as a reserve each year for depreciation. This ranges from two to four per cent. on buildings and from seven and one-half to twelve and one-half per cent. per annum on machinery—roughly, five to six per cent. per

(Continued on page 11)

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THE BELL TELEPHONE CO. OF CANADA

THE BELL TELEPHONE COMPANY OF CANADA

First Mortgage 5% Gold Bonds, Series "B"

Dated June 1, 1927 — Due June 1, 1957

Interest payable June 1 and December 1. Both principal and interest payable in Canadian Gold coin at Bank of Montreal, Montreal or Toronto, or, at the option of the holder, in United States gold coin at the Agency of the Bank of Montreal, in the City of New York. Coupon Bonds in denomination of $500 and $1,000, registerable as to principal only, and fully registered Bonds in denominations of $1,000, $5,000 and $10,000; interchangeable. Net callable prior to 1947.

The Company owns and operates the principal telephone system in the Provinces of Quebec and Ontario, serving a territory of 831,837 square miles with 5,700,000 population, including Montreal and Toronto, the largest cities in Canada.

Book cost of real estate, buildings and telephone plant, December 31, 1926, was approximately $112,800,000, or over 2 3/4 times the First Mortgage Bonds. Present actual value greatly exceeds the book cost.

Net earnings during the last five years have averaged 3.98 times bond interest charges.

We recommend these Bonds for investment. Price on application. Inquiries Invited.

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Business Established 1889

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Twin City

I have held Twin City common as an investment for some time. This was purchased at 75 when paying 6 per cent. dividend. This has been cut to 5 per cent. and the stock has depreciated greatly in the last year.

As this is one of the main sources of income I would be glad to have your opinion as to the advisability of continuing to hold this.

We hesitate to recommend the sale of Twin City common at the prevailing market price in view of the fact that you paid $75 for it.

We believe that the situation is slowly improving with regard to this company. Eventually we are of the opinion that the company will be able to resume a normal dividend. This may require a year or two.

Utilities generally are on the up grade and we do not think that this is a time to sell unless selling is imperative.

Co-insurance

What exactly does the co-insurance clause in a policy imply? Can one (a) insure for only a percentage of the value of the property or (b) only collect a percentage of the amount insured for or (c) is there something more subtle connected with it?

In reply to your enquiry regarding the co-insurance clause in a policy, this contract is simply one whereby the insured agrees to carry insurance to a certain percentage of the value of the property and is given a lower premium in consideration of him doing so. In other words if a property is worth say $100,000, the owner can insure this property for a lower premium by agreeing to always have the property insured up to 80 per cent. or 90 per cent. of its value. If the insured fails to carry the percentage stated in his contract, he himself becomes a co-insurer for the balance, and must stand the loss that would have been charged to the other insurance company.

That is to say, if this property worth $100,000.00 had been insured under an 80 per cent. co-insurance clause, and the insured had only carried $60,000.00 of insurance, in case of a loss amounting to $40,000.00, he could only recover three quarters of the amount of his loss and would have to carry the other quarter himself. If the full amount of insurance called for on the contract is carried, it is quite obvious that a co-insurance clause has no effect, and also if the loss is up to or above the percentage of the co-insurance clause, the clause has no effect. It is only when the insurance and the loss are less than the amount of insurance stated in the co-insurance clause that this clause becomes operative.

City Dairy

The writer has ten shares of City Dairy preferred which he was considering selling at 120 and buying something else. What would you suggest?

If you are disposed to sell your City Dairy preferred, which is a very high grade investment, we would suggest that you buy instead of it Laura Secord preferred, which will give you a higher yield.

Laura Secord preferred is attractive because it is convertible into common on the basis of three common for one preferred. This conversion privilege is for an indefinite time, but we believe the holders will have a profitable option within a comparatively short time. We understand that the company is doing very well.

In our opinion your Canada Dry 41 is a reasonable investment for a business man. The business of the company is growing rapidly.

Seven Industrial Bonds

I would appreciate your advice in regard to an investment of $10,000 in industrial bonds. Would you name four or five best buys from point of view of security and return?

This investment is in addition to some $10,000 now held in war loan bonds.

For the investment of $10,000 we suggest these bonds:

Winnipeg Electric fives, due 1935.

Howard Smith Paper Mills, 7 per cent. first refunding mortgage sinking fund bonds, due January 1941.

Olgilve Flour Mills Co., 6 per cent. first mortgage bonds, due 1932.

6 per cent. general mortgage sinking fund bonds of Canadian Canners, Ltd., due July 1950.

The 5½ per cent. first mortgage sinking fund bond of Penmans, Limited.

The 6 per cent first mortgage and collateral trust bonds of the Steel Co. of Canada, due 1940.

The 6 per cent. first mortgage gold bonds of the Canada Cement Co.

These bonds would give the holder wide range of diversification in leading and essential industries.

If the investor were inclined to put a portion of his or her money into a sound industrial common stock, which has some chance of appreciating in value, we could suggest no better stock than that of the Consumer's Gas Co. of Toronto. While the dividend on this stock is limited to 10 per cent. per annum, and the yield at the present moment is under 6 per cent., the company at various times gives its shareholders an opportunity to subscribe for new stocks at somewhat under the normal market value. New financing is done in this way and there is no preferred stock having a prior charge on earnings. There is no funded debt.

Seven Common

I should be gratified if, either by mail or through the columns of The Financial Post, you will advise me how to invest in common stock $4,000.

I would prefer it to go in stock which will yield profitably in the course of a few years while at the same time it will be secure as to principal.

Our suggestions for an investment of $4,000 in Canadian common stocks are as follows:

5 shares of Page-Hersey at 70.
10 shares of Cosmos Imperial at 25.
5 shares of Steel of Canada at 137.
5 shares of Laura Secord preferred at 110.
10 shares Tuckett Tobacco at 70.
5 shares of Hayes Wheel at 33.
10 shares of Christie Brown at 60.

We also would suggest 10 shares of International Nickel for a comparatively long hold. The prevailing price is around 61, but it is possible that the market will recede somewhat before there is a permanent general rise.

As you did not say anything about yield, we have assumed that you are content to take a comparatively small return for the time being in order to get into sound companies in which the situation is improving.

Steel of Canada is not likely to fluctuate very much for some time. The preferred of this company at the moment is just as attractive from a speculative viewpoint as the common, in view of the fact that the preferred participates with the common when the common is getting 7%.

The Laura Secord preferred we suggest because it is convertible three for one at the option of the holder. At the present time the common is not on a dividend basis.

The Tuckett Tobacco Company is an exceptionally sound company and its stock is certain gradually to improve, especially if the government in the next year or two moderates the tax on cigarettes and tobacco.

Christie Brown is a company which has been doing exceptionally well in the last year or two and it is likely that the dividend on the common will be increased materially as soon as the outstanding bonds are retired. The bonds are being retired very rapidly. There is also the possibility in connection with this company of its sale to National Biscuit Company or some other American company. This, we believe, would be advantageous from the viewpoint of the shareholders of Christie Brown, as these sales usually are accompanied by a rise in the market value of the stock.

Page-Hersey and Cosmos Imperial are two companies which are doing very well.

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When Women Invest

In Sixty-Year Period Since Confederation, Women Have Progressed Amazingly in Independence.

By MARJORIE B. SCAMMELL.

This week, when all Canadians are looking back, and marking the wonderful progress which has been made in Canada during the sixty years that have intervened between Confederation and the present day, it is interesting to consider the factors that have led to the great change in women's view of the financial field from that day to this.

How many women, in the year 1867, in Canada, or in any country for that matter, held securities which they had purchased with their own money, and on their own initiative? True, there were many shares nominally held by women, but these were mostly purchased by husband or father, or some interested relative, for the protection or the pleasure of the holder of the shares. Of these women, few, if any, could have told the process that preceded the acquiring of the shares, or thought of anything in connection therewith beyond the receipt of the dividends. Indeed "father" would have thought it bordering on intrusion into his sacred precincts had his daughter desired even to probe the meaning of the words stock or bonds, and would have quickly indicated that such matters were quite beyond her ken.

Education One Reason

But "fathers" are learning many things about "daughters'" ability in these days, things they would have scouted even 25 years ago, for woman is slowly, but surely, showing that she can and she will take her place in the financial field, as well as in many other walks of life.

The first factor in this change has been the facilities for the education of women, particularly of higher education, which have so rapidly increased during the last 20 years. In 1867, and for many years following, if there were not sufficient means in the family to provide a good education for both the girls and the boys, that of the girls was often given the go-by, and all the effort and money available were expended on the boys, usually, be it said, though not always, with the consent and approval of the girls themselves. This state of affairs was unjust and could not last.

Feet Hold Her Up

In the period just before the war, girls were beginning to get into the professions, and the "business woman" was not quite so much looked down upon as she had been previously, but it was during the war itself that woman really began to realize some of her latent powers. At the very outset two things were, as it were, thrust upon her—first, her country's need of her work, whatever she might be able to do, and, secondly, the possibility that she would have to be the mainstay of the family, if father and brothers did not return. These contributed very largely to the second, and more important factor—the desire for independence. During this period woman felt her feet, and, finding that they would bear her, she continued to stand on them, and, to-day, she is stepping out in no uncertain manner.

A third factor has been the sheer necessity of many women to provide for their future requirements. The toll of war greatly enhanced the already increasing proportion of women to men, and thus added considerably to the number of women obliged to depend upon themselves. This actual need has tended, more than any other single factor, to turn the woman of to-day to some means of increasing her bank balance beyond what would be possible by her ordinary earning powers, and by merely putting her money into a savings account. She is now beginning to see that, although reckless speculation will probably mean loss, wisely chosen investments bring returns.

To-day, financial firms are so far recognizing the importance of woman as a real part of the market for securities, that some of the oldest establishments are instituting a woman's department, and are putting a woman in charge to give special advice to feminine customers and prospects.

Thus woman—through her education, through her sense of independence (which does not necessarily leave her when she takes a partner in life), through her absolute need of provision for her later years, and also through her active participation in business matters, her increased interest in the affairs of her country, and many other factors in her life of the present day—has come into the financial field, and she has come to stay.

We have purchased for our own account, following investigation, substantial amounts of all of these securities, either through our connection with the original issue or subsequently.

Our Recommendations for July Investment

	Price	Approx. Yield
GOVERNMENT BONDS		
Canadian National Railways 4½'s, due 1957 (Dominion of Canada Guaranteed).	98½	4.60%
State of New South Wales, 5's, due 1958	Mkt.	5.25%
PUBLIC UTILITY BONDS		
Bell Telephone Co., 1st 5's, due 1957	102½	4.84%
Montreal Tramways Co., Gen. 5's, due 1955	Mkt.*	5.25%
Kansas Power Co. 1st 5's, due 1947	96½	5.30%
Illinois Power & Light Deb. 5½'s, due 1957	96½	5.75%
INDUSTRIAL BONDS		
Allis-Chalmers Mfg. Co., Deb. 5's, due 1957	99	5.13%
Minnesota & Ontario Paper Co., 1st 6's, due 1950	100	6.00%
Canada Biscuit Company, 1st 6½'s, due 1946	102¾	6.25%
Acadia Apartments Ltd., 1st 6½'s, due 1939	99½	6.55%
PREFERRED STOCKS		
Massey-Harris Co., 7% cumulative	Mkt.*	6.40%
International Paper Co., 7% cumulative	99	7.07%
FOREIGN SECURITIES		
Republic of Chile 6's, due 1960	Mkt.	6.55%
French National Mail Steamship Lines 6's, due 1952	91½	6.70%
Kingdom of the Serbs, Croats & Slovenes 7's, due 1962	92½	7.60%
Belgium National Railways 6% preferred stock	16.70	5.00%†

* Listed on the Montreal Stock Exchange. † Plus participating rights.

Particulars on request

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POST-Scripts

JOHN BURROUGHS' rural divinity, that bovine beauty, the cow, is now supplying the world with cigarette holders. Skim milk is now compressed by some mysterious process, which we do not profess to understand, into an ivory-like substance. On the golf course where the cow once found pasture, its shade returns, for this skim-milk by-product is also being made into tees. The golfer now takes milk in his tee.

HAS not the business of writing advertisements around testimonials signed with Famous Names gone so far as to become a joke, even to the unthinking general public? The words Famous Names have been written in capital letters advisedly for there is now a company called Famous Names Inc., that will sell a manufacturer the right to use the name of any one of a hundred or more famous and notorious people for a certain fee.

A Lucky Strike cigarette advertisement seems to us to carry the testimonial to the point of burlesque. It says:

If you offered Fiske O'Hara a cigarette—other than a Lucky Strike—he'd say to you: "The throat is a delicate instrument which all singers protect with the utmost care. To avoid irritation, I smoke Lucky Strikes. They are not only kind to my throat, but have the finest flavor."

Some day we would like to offer Fiske O'Hara a Herbert Tareyton just to see if he would stand up and say his little piece.

IS THE English financial man getting tired of working out pounds, shillings and pence in stock exchange quotations. There seems to be a tendency away from the quotations of British shares in shillings. A number of stocks are now quoted on the lists thus "Mond 2¼". The proper quotation would be 45 shillings or £2 5s. A Canadian group who bought some Mond Nickel this week received a cable that the order had been filled at 230. This was harder to figure out than if the quotation had been stated as two pounds six shillings, which is what it amounted to, for two pounds six shillings is 230 per cent. of £1 which is the par value of Mond stock. But the quotation of a £1 stock at 2¼ in one instance and at 230 in another shows that the English financial man is flirting with the decimal system.

WHAT BANKER LOOKS FOR IN INDUSTRIAL SECURITIES

(Continued from page 10)

annum on the total value of fixed assets. This is only a rough guide. In industries where machinery is a large proportion of the assets, depreciation should be heavier than in those industries where the fixed assets are made up largely of land and buildings.

Assets.—A fair valuation should be made upon the assets. If processes, patents, goodwill, etc., are included, these should not form too large a proportion of the assets.

Mortgage and Sinking Fund Provisions.—Taking into consideration the type of business and most of the foregoing points, such as fixed assets, liquid assets, earnings, etc., the investment banker sees that the trust deed is drawn up so that a proper ratio is maintained between the liquid assets and the liabilities of the company. This is to insure adequate working capital. Further amounts of bonds or shares to be issued are restricted by providing that assets must be at a stated amount and earnings must be sufficient to assure the payment of interest or dividends upon the securities outstanding and those about to be issued.

Prompt Re-investment Desirable

Wide Range of "Odd Amount" Bonds at Attractive Prices

Prompt re-investment of interest and other payments due on July 1st will prevent unnecessary loss of interest. To facilitate such re-investment, we have prepared a list of government, municipal and corporation securities, yielding from 4.55% to 7%. These securities should meet the requirements of all intending investors.

Copy will be gladly furnished upon request.

36 King Street West, Toronto. Telephone: Elgin 4321.

Wood, Gundy & Company Limited

THE NATIONAL CITY COMPANY CANADA

Sound Values
for your Safety Deposit Box

The following high-grade Bonds which have been selected from our current list offer an excellent opportunity for sound investment in readily marketable securities :

Dominion of Canada Guaranteed
(Issued by Canadian National Railway Company)
5% Bonds due Feb. 1, 1954
Price to yield about 4.75%

Government of the Argentine
6% External Bonds due May 1, 1961
Price to yield about 6.05%

City of Brisbane
(Guaranteed by State of Queensland)
5% External Bonds due March 1, 1957
Price to yield about 5.33%

Cuba Northern Railways Company
5½% First Mortgage Bonds due June 1, 1942
Price to yield about 5.65%

Canada Steamship Lines
6% First & General Mortgage Bonds due Oct. 1, 1941
Price to yield about 6.12%

Bell Telephone Company of Canada
5% First Mortgage Bonds due June 1, 1957
Price to yield about 4.85%

Gatineau Power Company
5% First Mortgage Bonds due June 1, 1956
Price to yield about 5.25%

Montreal Tramways Company
5% First Mortgage Bonds due July 1, 1941
Price to yield about 5.10%

Saxon Public Works, Inc.
(Unconditionally guaranteed by Free State of Saxony)
6½% External Bonds due May 1, 1951
Price to yield about 6.67%

Goodyear Tire & Rubber Company
5% First Mortgage & Collateral Trust Bonds due May 1, 1957
Price to yield about 5.20%

The above Bonds are offered subject to prior sale and change in price. A circular giving full particulars regarding any issue will be forwarded upon request, and if desired, a copy of the July edition of our monthly publication, "Investment Securities," which contains a complete list of our current recommendations.

The National City Company
Limited

Head Office—St. James and St. Peter Streets—Montreal
10 King Street East TORONTO — 204 Blackburn Building OTTAWA — 71 St. Peter Street QUEBEC
232

Investment Market News

BOND SALES LESS OWING TO ABSENCE FED. FINANCING

Domestic Issues Sold This Year Total About $280,000,000

Bond sales in Canada during the first half of the current year were not as great as those in the corresponding period of 1926, but eliminating all Federal Government financing a comparison of figures for the two periods shows a preponderance in favor of 1927. In February of last year the Government undertook certain refunding, amounting to $105,000,000, while similar financing is absent in this year's record. Some heavy financing will have to be done by the Federal and Provincial Governments in the next six months, however, and the aggregate total for the year is expected to reach from $650,000,000 to $700,000,000, or an amount greater than in any preceding year since 1918.

In the six months ended June last approximately $280,000,000 worth of bonds were sold in Canada, as compared with $340,000,000 in the corresponding period of the previous year. Neither of these totals include foreign securities offered wholly or in part in Canada and were these figures taken into consideration, the total for 1927 would more nearly balance that of 1926. A summary prepared by A. E. Ames and Co., shows that June was the busiest month this year, while February held a similar position last year. Approximate sales by months for 1926 and 1927 are shown hereunder:

	1926	1927
January	33,344,703	51,853,158
February	121,688,799	22,266,471
March	27,408,744	19,770,878
April	69,168,663	67,391,821
May	38,652,128	40,220,941
June	50,175,825	77,605,244
Totals	340,438,862	279,108,513

Government Financing Smaller

An analysis of the figures for these two periods shows several changes of more than ordinary importance. Government financing last year, which includes the refunding loan of the Dominion, totalled $163,143,000. For the first six months of this year, the total was only $54,965,500, all of which represented provincial obligations. Municipal bond sales, curiously enough, show practically no difference, the amounts being $37,721,862 and $37,290,213 for 1926 and 1927, respectively. Corporation bond sales are also less this year, having totalled $106,852,800, as compared with $113,985,000. There has been a large amount of new corporate financing so far this year, much larger than in 1926, and while the above figures would indicate the reverse, it should be remembered that a number of companies have been financed through the sale of preferred or common stock. Railroad bond sales this year show a large increase totalling $80,000,000, as against $12,000,000 last year. This situation arose out of the fact that the Canadian National had to meet a short term issue of $20,000,000 in New York at the beginning of July, 1927.

It is noticeable that domestic issues no longer attract the English investor. Before the war it was a common thing for an entire issue to be sold in England; in fact, most of the municipal and government financing was done in London. Changing conditions since then have caused the Canadian municipalities and provinces to look to New York for funds. Consequently sales of these two classes of securities, as well as corporation and railway bonds, have been confined to Canada and the United States. Of the Canadian bond sales for the first half of 1927, $170,000,000 were placed in the United States and the balance in this country.

In addition to domestic issues a substantial number of foreign bonds have been sold in this country during the past six months. The high yield on foreign issues have caused the investor to look upon them with favor in view of the small yield on domestic bonds. It is estimated that approximately $30,000,000 has been exported from Canada in this manner since the beginning of the year and it is likely that further substantial offerings will be made before the year closes.

Norman Mather Says Danger in Some Issues

From Our Own Correspondent.

MONTREAL.—The current issue of Investment Securities, published by the National City Company, Limited, contains an article by Norman L. C. Mather, managing director of the company, in which he points out one of the dangers which lie in the present investment situation. One of the functions of an investment house, of course, is the creation of new issues: touching this function Mr. Mather says:

"Investment bankers are chiefly concerned in obtaining a supply of new securities to offer to their clients and by centralization, mergers, changing existing capital structures, formation of holding companies, etc., have been successful in creating a considerable volume of new issues. A critical mind, however, cannot be altogether satisfied with the results of some of these efforts. At times such schemes lead one to believe that some financial houses allow their desire to accommodate a clamorous investing public to dominate or obscure a more conservative outlook. These schemes are justified only if they are constructive, and for the good of the country a long view should be taken.

"The past year or two has been prolific of schemes for the formation of 'Investment Trusts.' Most of these plans are still little more than in the experimental stage, and few disclose a very intimate knowledge of the proper functions of such institutions."

CHAS. GURD & CO. SHARES ARE SOLD

Offered in Units — Common Stock Goes on Dividend Basis

MONTREAL.—The investment houses of J. M. Robinson and Sons, Johnston and Ward, Bruneau & Rainville, and H. B. Robinson and Company, are making an offering of preferred and common shares of Charles Gurd and Company.

The company is new to investors, but it is one of the largest manufacturers of carbonated beverages in the Dominion, including, of course, ginger ale. The business had its inception just about the time of Confederation, and it has reached its present position largely through the investment of accumulated earnings.

Its operations are carried out on its own land and buildings, occupying the greater portion of a city block in the heart of the downtown area of Montreal. In addition, it owns two mineral water springs.

The principal business of the company is in Quebec and eastern Canada. The company has reached its present position without extensive advertising campaigns or highly specialized sales forces. There are possibilities for expansion not only in Canada, but in the export market, for, during the past two years, the firm has been developing an export business in the West Indies, Central and South America.

The particulars of the issue follow:

$500,000 7 per cent. cumulative preferred stock.
22,250 shares of common stock of no par value
CHARLES GURD AND COMPANY, LIMITED
Capitalization:—

	Authorized	Issued
7% Cum. pfd. stock $100. (Par value)	$500,000	$500,000
Com. Stock (N.P.V.)	33,000 shs.	22,250 shs.
Mortgage Loan 5%		$300,000

Business: One of the largest carbonated beverage manufacturers in the Dominion. The plant is situated in the heart of Montreal.

Earnings: Average earnings over the past four years after all charges, amounted to over 24 per cent on the preferred and $3.94 per share on the common. Earnings during 1926 amounted to 29 per cent on the preferred stock and $5.04 per share on the common stock.

Sales and expansion: The principal business of the company is done in the province of Quebec and in the other eastern provinces of the Dominion. Sales have steadily increased over the past five years. It is the opinion of the management that the business has reached the point where substantial expansion can be undertaken.

Management: Will be largely in the hands of those who have been responsible for the past success of the company.

Offered: June, 1927 by J. M. Robinson and Sons, Johnston and Ward, Bruneau and Rainville, Geoffrion & Co., and H. B. Robinson and Company at $107 per unit. Each unit comprises one share of preferred and one half a share of common stock. The common is offered at $28 per share at which price fractional common shares will be adjusted. The common stock is to be placed on a quarterly dividend basis of $2 per annum.

PARISIAN LAUNDRY PROPOSE EXPANSION

Proceeds of Bond Issue Will Be Devoted to Corporate Uses

An offering of $350,000, 6½ per cent. first closed mortgage bonds of the Parisian Laundry Co., is being made this week by R. A. Daly and Co.

This company was acquired by the present management and incorporated under the laws of Ontario in 1903. Previous to that time, the business had been in successful operation for 30 years, and since incorporation the company has shown steady and consistent growth until today is the largest laundry in Canada.

The company is the only one in Canada carrying a wholesale business in a large way. This branch of the business is done under contracts with the Canadian National Railways, Canada Steamship Lines, the Pullman Co., and many other companies, including practically all the large hotels, restaurants and clubs in the city of Toronto.

The plant has been taxed to its capacity for some years, and because of this the company is now adopting a plan of expansion which will increase its capacity very materially.

Particulars of the issue follow:

$350,000
Parisian Laundry Co., of Toronto,
6½% First (Closed) Mortgage 20-Year Bonds
Dated July 1, 1927, Due July 1, 1947.

Business—Incorporated in 1903 for the purpose off carrying on a laundry business, both wholesale and retail.

Security—This issue will be secured by a specific first (closed) mortgage covering land, buildings and equipment, as well as by a floating charge on all other assets. The Company covenants to pay no dividends on its common stock if the net current assets amount to less than $25,000.

Assets—As at December 31, 1926, after giving effect to this financing, were $785,093 net tangible, or equal to over $2,240 for each $1,000 bond of this issue.

Earnings — Average annual net earnings available for depreciation, income taxes and interest on these bonds, for the three years ended December 31, 1926, were $45,001, or equal to twice interest requirements. Earnings for the past year amounted to $48,741, or equal to 2.4 times such bond interest requirements.

Purpose of Issue—Reimburse company for acquisition of additional property, in construction of new plant, and for additional working capital.

Management—There will be no change.

Sinking Fund—Commencing July 1, 1928, which will be sufficient to retire the whole of this issue by maturity.

Offered—R. A. Daly and Co., at 100 and accrued interest, to yield 6.50 per cent.

McCOLL PREFERRED IS TO BE CALLED

Holders From Beginning Will Have Profit of 30 Per Cent.

As has been predicted, the preferred stock of McColl Bros. has been called for redemption as of September 1st at $107.50 and accrued dividend.

This stock is convertible on the basis of three shares of common for one of preferred. As the common is now selling at around $40 the share, it is anticipated that virtually all shareholders will exercise their right to convert. Those who convert prior to August 15th will receive the preferred dividend to the date of conversion as well as the regular quarterly dividend on the common to September 1st. The common dividend is 80 cents annually. It is expected that it will be increased within a few months.

Profit in Year

Purchasers of the McColl stock a year ago have profited to the extent of approximately $300 on the unit of $1,090. The stock was placed on the market in units of ten shares of preferred and five of common for $1,090.

McColl Bros. have not suffered in the overproduction of crude oil in the last several months for the reason that the company is not a producer of oil but is merely a refiner and wholesale and retail distributor. The oil is piped to Buffalo, and brought to Toronto and other Canadian ports by water or rail. Sales so far this year have been reported as good.

Alexandra Apartment Net Earnings Set New Record

Operating profits for the Alexandra Apartments, Ltd., of Toronto, for the year ending May 31st, last, were the highest in the history of the company. Net profits, after payment of operating expenses, amounted to $48,173, as compared with $44,143 in the previous fiscal period of 12½ months. During the year, $9,500 of the bonds were retired by the sinking fund, leaving a total of $340,500 now outstanding with annual interest requirements of $22,132. The remarkable stability of earnings is indicated by the record of net earnings since 1921. 1921—$39,382; 1922—$39,672; 1923—$39,259; 1924—$38,060; 1925 (12½ months)—$44,143; 1926—$48,173.

On May 31st last, the depreciated value of the land and buildings was $565,095. Working capital amounts to $14,682, deferred charges $36,169, giving assets, exclusive of goodwill, of approximately $616,000.

Alexandra Apartments is experiencing very satisfactory business this year. It is operating at capacity, and indications are for even higher earnings in the next fiscal year.

Dominion Textile Has Begun More Extensions

From Our Own Correspondent.

MONTREAL.—The Dominion Textile Company is maintaining the volume of its business at about the same level that prevailed in the last fiscal year, but it is understood that while the volume is large, prices are low and the margin of profit has narrowed.

The company has practically completed the improvements to its Montmorency mills, and work has started on an extension to the mill at Magog, to house eight new printing machines.

Book Reviews

CANADA YEAR BOOK

That most useful compendium of information on Canada and its progress, the Canada Year Book, has now made its appearance for 1926. The volume includes the latest available information up to the time of going to press, and is the official statistical annual of the physiography, history, institutions, population, production, trade, transportation, finance, labor, administration and general social and economic conditions and life of the Dominion.

The volume extends to over 1,000 pages and is divided into fifteen sections for convenience of reference. Numerous maps and diagrams are used to illustrate various topics and to supplement the statistical tables of historical and current data. Throughout the volume the latest available information is included in each section, tables generally including figures for the fiscal year 1925-26, and the letter-press supplying supplementary figures extending in some cases to the end of the calendar year 1926.

Many of the chapters have been extended and several new features added in the 1926 Year Book. Statistics of the leading industries of each of the provinces, are incorporated; detailed figures on trade with 33 countries are given; additional material on prices, including the Bureau of Statistics' new index of retail prices; short descriptions of the topographical and geodetic surveys, etc.

The General Statistics Branch of the Bureau of Statistics is responsible for the publication of the Year Book. S. A. Cudmore, chief, general statistics, is the editor.

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SIXTIETH BIRTHDAY SEES RETURN TO GOLD BIG SUCCESS HERE

(Continued from page 1)

claims in foreign funds that could be imported in gold if necessary. We can export at least $30,000,000 net gold each year. As it stands at present the return to gold has been an unqualified success. The only danger on our economic horizon is in borrowing excessively in foreign countries.

Subject Is Of World Importance

No technical economic subject since the end of the war has had more attention in most countries than the possibilities of what is ordinarily termed "getting back on a gold basis." All that is involved in that glib utterance is rarely understood, and on the anniversary of our formal reversion there may be something impressive in recalling the significance of our own move

That it is not an easy process to return to the gold standard should be evident from the elaborate preparations which have been made in some cases. In England the famous Cunliffe Committee to inquire into the currency was formed, and before the step was taken credits of $200,000,000 were established in New York to protect the foreign quotation of sterling. Even yet England has not returned to the gold standard as it was known before the war.

A Most Ticklish Problem

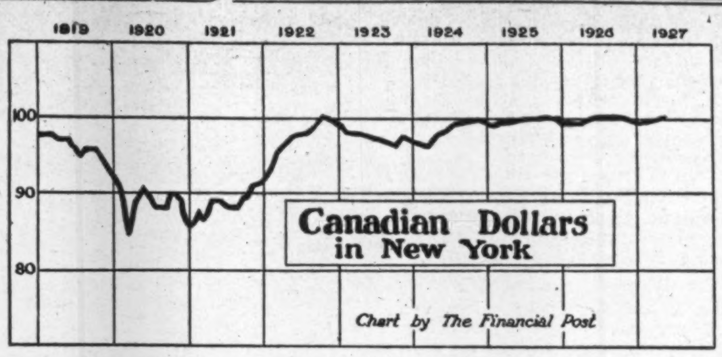
To permit Germany's return to gold after the debacle of the mark necessitated the investigation of the Dawes Committee and the subsequent flotation of the first really large post-war international loan. South Africa, the greatest gold producing country in the world, invited Dr. Gerard Vissering, President of the Netherlands Bank, and Dr. Edwin Walter Kemmerer, Professor of Economics and Finance at Princeton University, to submit a report on the advisability of resuming gold payments. Incidentally the latter authority has become known as the "finance doctor," due to the number of investigations he has made in Europe and South America, preliminary to the re-establishment of depreciated currencies on a gold basis.

A year ago it was feared that French currency would go the way of the German mark. Yet at the present time the value of the franc has been stabilized at twice its lowest point of last July, the country has unprecedented supplies of American funds in New York, and a month ago it turned the international gold market topsy-turvy by its accumulation of the metal.

The fact of the matter is that, in colloquial language, a return to gold is a very ticklish proposition, and just because Canada accomplished it without elaborate technical discussions there is no reason to believe that it has little significance. Proof is seen in the fact that if the millions of "investors" who gambled on foreign currencies and bonds had had one iota of an idea as to the significance of gold they would not have lost such vast sums in paper obligations which they are even now hopeful of retrieving.

Shows Nation's Recuperative Powers

The whole story of gold in Canada since 1914 is a fascinating one. The cessation of gold payments at the outbreak of war, the legislation authorizing the provision of adequate currency to carry on the business of the country, the prohibition of exports of gold, the depreciation of the Canadian dollar in New York, the rise of gold production after the war, the processes by which we were enabled to return to gold on July 1, 1926, and the effects of the reversion upon banking and upon the security markets—these are all chapters of a financial romance that will make Canadians tingle with pride in the recuperative powers of their country.



It is well known that, outside of its use for currency and banking reserve purposes, gold is about the most useless commodity in the world. In Canada we have never used gold to circulate from hand to hand, as was the pre-war custom in Europe, because we were convinced of the soundness of the paper promises-to-pay of the government and incidentally of the banks. Only some three million dollars of Canadian gold coins have ever been minted and they repose in vaults of the Department of Finance at Ottawa. Few Canadians have ever seen Canadian gold coins, and as long as paper money circulates and cheques are drawn on bank deposits the number will not grow.

The only importance that actual gold has in the Canadian financial system is that the law requires it as a reserve for Dominion notes and as one of two alternatives by which the banks can increase their notes in circulation. Law and practice, however, are two different things. By reason of the fact that the Canadian people are satisfied with titles or claims to gold in the form of notes, the financial system in Canada could function perfectly without the inclusion of one dollar of gold in the domestic assets either of the Canadian government or of the banks. Ownership to gold, rather than gold itself, is desired.

Can Not Function Without Gold

That statement is not the same as saying that the Canadian financial system can function without gold. It cannot. The one fact to be emphasized is that there is gold in government vaults in Canada only because the law and not because the habits of the people demands it. The gold itself might quite as well be held in New York did not the law and custom require a flexible reserve in this country.

Wherein then lies the importance of the gold standard if the government holds what appears to be a dormant reserve as far as the requirements of the man in the street with a five dollar bill are concerned? In reality, the system could not function without gold because—and this is where many of the intricacies of the standard enter—the balances in international financial operations are paid in gold.

Leave Settlement to Banks

Consider an analogy. In our domestic business we constantly receive our dues for services rendered and goods sold in money, whatever its form may be. In part of the Northwest Territory Indian trappers still use muskrat skins as money. In the more settled areas of the Dominion slips of paper denominated bank notes or personal cheques or drafts are used as the media of exchange. The banks are the clearing centres where the debits and credits in the pecuniary terms of real honest-to-goodness economic transactions are tallied, offset against each other and the balances paid in gold or Dominion notes as between banks. In other words, we offer and accept these slips of paper for the exchange of goods and services and leave their actual settlement to the banks.

So in international transactions nations are constantly buying and selling goods and services and the balances are settled in gold. The yellow metal is the international medium of exchange—it is almost universally acceptable as the one commodity of fixed price by which banks make international payments and which is eligible for bank reserves. The ability to command gold, then, depends upon the productive and borrowing ability of a people. The banks, while in a measure able to control the productive activity, are in another sense merely the register of the activity and the movement of the foreign exchange rate epitomizes the variety of financial operations involved in settling international transactions.

Gold's Place in Exchange

Foreign exchange and gold movements have their mysteries, but the broad basis of exchange is not mysterious in the least. If anything happens to a nation whereby its production of goods and services is curtailed and whereby it cannot collect its credits there are, of course, only two ways in which it can pay its debts immediately and keep its exchange at parity. One is to ship gold and the other is to borrow from its creditor. And if the nation ships its gold and replaces it with great quantities of paper currency the familiar phenomenon of inflation occurs with its ensuing effects upon the foreign exchange rate, prices and other registers of the course of business. In broad outline, those effects occurred after the war.

While extravagance in Canada and the disorganization of our foreign trade were in part responsible for the depreciation of the Canadian dollar in 1920 and 1921, there were other circumstances over which we had little control. The dislocation of the ordinary processes of international finance, the absence of an effective means of payment by most of the countries of the world, the disruption in buying habits caused by the artificial prosperity that attended world-wide inflation, and the extreme stringency of short-term funds in New York contributed to depreciation. Canada, while in part to blame for her own shortcomings, was also a victim of the universal economic madness that culminated in the most widespread financial and economic paralysis in the history of the world.

Canada on Top of World

Fortunately, after the deflation period, we were in a better position than most countries. Whereas Europe had to reestablish her productive power under the stress of many unfavorable political and economic circumstances and had to beg for loans, Canada was figuratively on top of the world. By reason of the abundance and variety of our natural resources, in conjunction with the sterling character of Canadian credit, we could command a large volume of American funds to tide over the emergency. The productive investments of the American people fructified through the energy of the Canadian people, who set their shoulders to the wheel, extracted vast supplies of raw materials and sold or fabricated them to meet a world scarcity, extended their markets to the farthest corners of world commerce, attracted tourists to add their quota to the supply of funds and by the middle of 1924 the Canadian dollar was back at parity with gold. In other words, the Canadian people brought the dollar back to par by working for the goods and services which are the sinews of international transactions. The accompanying chart showing the value of the Canadian dollar in New York, epitomizes in its ups and downs a heroic effort of the people of this Dominion to make their dollar acceptable by other nations at its face value in gold.

Was Real Achievement

For two years after 1924 we delayed the formal reversion to the gold standard and a year ago without fuss or furore we automatically returned to gold. Today it is worth while to remember the significance of that event. It was the consummation of years of economic trial. It indicated that the effort of the Canadian people to knuckle down was not in vain. It showed that we were willing and able to pay our debts in the financial centres of the world in gold. The keystone in the arch had been raised, and we were ready to go forward into the new opportunities beyond the gateway.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1927	97	97⅞
Abitibi P. & P. 6s, 1940	104½	...
Algoma Steel 5s, 1962	28	29
Alberta Pac. Grain 6s, 1946	97½	..
Bell Telephone 5s, 1955	101	101¾
Belgo. Can. Paper 6s, 1943	101¾	102¼
Brandram-Henderson 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	89	93
Brompton P. & P. 6s, 1946	99¼	100
Burns, P. & Co., 6½s, 1943	103	104
Calgary Brewery 5s, 1942	89½	90½
Calgary Power 5s, 1940	92	93¼
Canada Lt. & Pr. 5s, 1949	91	93
Can. Nor. Power, 6ls, 1941	102	103
Canada Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	98¾	99⅝
Can. Steamships 6s, 1941	97¾	98½
Can. Steel Foundry, 6s, 1936	102	...
Davies, Wm., 6s, 1942	95	96¼
Dominion Iron 5s, 1939	30¼	32
Dominion Pr. and Tr. 5s, 1932	97	98
Drummond Invest. 6½s, 1938	99¼	100¼
Duke Price Pr. 6s, 1966	103¼	104¼
East Kootenay Pr. 7s, 1942	103½	104½
Elec. Development 5s, 1933	100⅛	100¾
Famous Players 6½s, 1948	99	100¼
Fraser Co. 6s, 1950	98½	99
Gatineau Power 5s, 1956	95½	96
Gatineau Power, 6s, 1941	99¼	100
Howard Smith P. & P. 6s, 1941	103½	104⅜
International Paper 6s, 1941	97½	98½
King Edward Hotel 7s, 1944	92	95
Lake Superior P. P. 6s, 1941	106	107¼
Laurentian Pr. 6s, 1936	102¾	103¾
Laurentide Pr. 5½s, 1946	101	102
Maritime Tel. & Tel. 6s, 1941	104	105
Manitoba Pr. 5½s, 1951	98⅝	99½
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L. H. & Pr. 5s, 1951	100	100⅝
Mont. Pub. Service 5s, 1942	98¾	99¾
Nor Can. Pr. 6s, 1945	101	102½
Nor. Ont. L. & P. 6s, 1946	101	101⅞
Nor. West Utilities 7s, 1938	99⅝	100
Nova Scotia Steel 5s, 1959	63	69
Nova Scotia 6% Debs.	32	38
Nova Scotia Tram. 5s, 1946	92	93½
Nova Scotia Tram. 7s, 1952	99½	100½
Ont. Pulp & Paper 6s, 1931	109	110¼
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953	103	104½
Ottawa Mont. Pr. 6½s, 1949	102	103
Ottawa Trac. 5½s, 1955	101	101¾
Ottawa River Pr. 6½s, 1953	101¾	102⅝
Port Alfred P. & P. 6½, 1943	101½	102
Price Bros. 6s, 1943	103	104
Prov. Lt. Pr. 5s, 1946	101¼	102
Rio Tramway 5s, 1935	95¼	96
Sao Paulo Tram. 5s, 1929	97¾	98½
St. Lawrence Paper, 6s, 1946	97	98
St. Maurice Pr. 6½s, 1953	107¼	108
St. Maurice Valley 6s, 1945	98¾	100
Shawinigan W. & P. 6s, 1950	104½	105¾
Simpson's, Ltd., 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	98½	99¼
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103½	105

This Week's Bond Sales

TOWN OF NAPANEE

An issue of $38,440 Town of Napanee, 5 per cent. 20-instalment bonds has been awarded to R. A. Daly & Co., at 99.93, which is on a cost basis of 5.01 per cent.

ST. EDOUARD DE FRASERVILLE

The school commission has awarded Rene T. Leclerc, Inc., an issue of $37,500 5 per cent., seven-year serial bonds at St. Edouard de Fraserville, Que., at 99.26, a cost basis of 5.21 per cent. Other tenders included the following:

Lagueux and Darveau	99.17
Royal Securities Corp.	98.768
Municipal Debenture Corp. and Beaubien and Co.	99.16
Beaubien and Co.	99.16
Versailles, Vidricaire and Boulais	98.27
Bray, Caron and Dube	98.92
Hamel, Fugere and Co.	98.12
Corp. de Prets de Quebec	98.80
Credit, Canadian Inc.	96.47

CITY OF PETERBOROUGH

The City of Peterboro has sold to Fry, Mills, Spence and Co. an issue of $100,000 5%, 5 and 10 instalment debentures. The bidding between dealers for the issue was exceptionally close, the high tender being high only .007, or a difference of $7 for $100,000 of bonds. Following are the bids:

Fry, Mills, Spence & Co.	100.227
R. A. Daly & Co.	100.27
A. E. Ames & Co.	100.13
McLeod, Young, Weir & Co.	100.13
Bank of Montreal	100.107
Bell, Gouinlock & Co.	99.80
Dyment, Anderson & Co.	99.63
C. H. Burgess & Co.	99.53
Wood, Gundy & Co.	99.40
Matthews & Co.	99.39

CITY OF MOOSE JAW

The City of Moose Jaw $186,518 5 per cent., 10, 15 and 30-year bond issue was awarded to Wood, Gundy and Co., at 98.90. American payment, or a cost to the city of 5.07. Bids were as follows:—

	Amer. paym't.	Can. paym't.
Wood, Gundy and Co.	98.90	98.60
A. E. Ames and Co.	98.30	98.20
Dom. Securities	98.28	98.28
Hay and James, Regina	98.20	98.20
Bank of Commerce	98.15	98.15
Dyment, Anderson Co.	97.809	97.809
Fry, Mills, Spence Co.	97.282	97.287
Royal Securities Corp.	97.17	97.17

Tenders and By-laws

July 4, Village of Mont Joli, P.Q.—$16,000, five per cent., serial bonds. J. Dube, Sec.-treas.

July 5, Town of Quebec West, P.Q.—$38,200, five per cent., serial bonds. J. P. Galibois, sec.-treas.

July 4, City of Cap de la Madeleine, P.Q.— $234,000, $75,000, and $20,000, five per cent., serial bonds. R. Morrissette, city clerk.

July 4, School Commissioners of Three Rivers, P.Q.—$148,500, five per cent., serial bonds. A. Nobert, treasurer.

July 5, Town of Ste. Agathe des Monts, P.Q. —$130,000, five per cent., serial bonds. R. Daze, secretary.

July 5, Montreal Catholic School Commission—$2,200,000, 4½ per cent., 35-year bonds. A. Lafontaine, sec.-treas.

July 12 School Commission of Grand-mere P.Q.—$138,000, 5 per cent., serial bonds. A. Desilets, Sec.-Treas.

July 20. City of Shawinigan Falls, P.Q.—$88,500, 5 per cent., serial bonds. A. J. Meunier, Sec.-Treas.

July 15, Dauphin School District — $100,000, 5½ per cent., 30-yr. debentures. R. M. Cardiff, Sec.-Treas. (See anouncement on page 16).

SASKATCHEWAN

Authorizations Granted by the Local Government from June 11 to June 17, 1927.

Schools—Dublanc, $24,000; Queensland, $4,000; Taberville, $1,800; Corinne, $2,000; Scout Lake, $6,000; Turtle Lake, $4,000; Middleburg, $1,500; Verwood R.T. Co., $3,300; Tessier, $3,000.

BRITISH COLUMBIA

The following certificates have been issued by the municipal department of the province of British Columbia upon the following dates: April 6th, 1927—Point Grey, Water Meters and Connections Loan, By-law No. 67, 1927, $50,000, twenty years, 5%; April 20th, 1927—Chilliwack, Young Road South, Local Improv., Deb. By-law 1927,, $8,387, 10 yrs., 5%; April 20th, 1927—Chilliwack, Main Street, No. 2, Local Improv. Deb., By-law, 1927, $5,295, ten years,5%; April 20th, 1927—Chilliwack, Princess Avenue Local Improv. Deb., By-law, 1927, $5,890, ten years, 5%; April 20th, 1927 —Chilliwack, Local Improv. Deb., By-law, 1927, $3,674, 10 yrs. 5%; Apr. 20, 1927—Chilliwack Local Improv. Deb., By-law, 1927, $2,251.25, ten years, 5%; April 23rd, 1927—Point Grey, Local Improv. Loan Consolidation, By-law No. 284, 1927, $42,162, thirty years, 5%; April 23rd, 1927—Point Grey, Local Improv. Loan Consolidation, By-law No. 285, 1927, 432,914, fifteen years, 5%; April 23rd, 1927. Point Grey, Local Improv. Loan Consolidation, By-law No. 286, 1927, $11, 859, ten years, 5%; April, 27th, 1927, District of Oak Bay, School Loan, By-law, 1927, $7,000, twenty years, 5%; May 9th, 1927, Point Grey, By-laws Nos. 133 to 262, Local Improv., ten, fifteen and thirty years, 6%; May 16th, 1927, Trail, Street Pavement Deb., By-law, $100,000, twenty years, 5%; May 20th, 1927 — North Vancouver, By-laws Nos. 819 to 835, Local Improv., fifteen years, 5%; May 25th, 1927—Township of Richmond, School Loan, By-law, 1927, $21,000, twenty years, 5%; May 30th, 1927 — Trail, Sewer Extension, Local Improv. Deb., By-law $27,000, twenty years, 5%; June 1st, 1927—Rossland, "New Reservoir Deb., By-law, $66,500, twenty years, 5%½%; June 1st, 1927—District of West Vancouver, Whytecliff Waterworks Deb., By-law, No. 345, 1927, $60,000, twenty-five years, 5%.

BOND MOVEMENTS OF THE WEEK
Week Ending June 27

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Canada Cement	6	1929	5.56	103	100½	102¼	100½	...	101½	101	...
Can. S. S. Debs.	5	1943	5.10	94	87	98¾	97½	97½	...	98¾	98½
Montreal Tram. "A"	5	1955	5.25	95	92½	96¾	94¼	96¼	95½	96¼	95¾
Do. 1st mtge.	5	1941	5.08	98½	93	99⅞	98¾	99⅛	98⅛	99⅛	...
Quebec Rly.	5	1951	6.03	100⅝	91⅛	100	96	...	99¾	99¾	99½
Wayagamack	6	1951	6.03	100⅝	90	100	97	99	98	99½	98
War Loan	5	1931	4.65	100.40	100.35	101.85	101.00	101.40	101.10	101.35	101.00
Do.	5	1937	4.56	104.95	102.75	103.75	102.95	103.70	103.50	103.55	103.40
Victory Loan	5½	1927	4.95	102.50	100.15	101.00	99.85	100.35	100.15	100.25	100.05
Do.	5½	1933	4.68	106.35	103.20	105.20	103.90	104.60	104.40	104.50	104.25
Do.	5½	1934	4.92	104.40	102.65	104.10	103.00	103.35	103.15	103.40	103.00
Do.	5½	1937	4.59	103.90	106.70	108.20	106.90	107.65	107.40	107.50	107.30
Do., Renewal	5½	1927	4.75	101.95	100.00	100.80	99.90	100.30	100.10	100.10	100.05
Do., Renewal	5½	1932	4.95	103.90	102.00	103.55	102.05	102.55	102.30	102.55	102.15
Do., Refund.	5	1928	4.85	101.35	99.00	101.45	99.75	100.15	99.95	99.80	....
Do., Refund.	4½	1940	4.55	96.95	95.60	100.05	96.60	99.00	98.55	98.40	....
Do., Refund.	5	1943	4.66	102.80	101.10	103.90	102.30	103.55	103.40	103.60	103.20
Do., Refund.	4½	1944	4.56	97.15	95.70	100.10	98.05	99.05	98.55	99.20	98.40
Do., Refund.	4½	1946	4.57	99.60	95.65	100.25	96.70	99.05	98.70	99.00	98.95

GOODYEAR TIRE MAY ISSUE STOCK

Official confirmation is lacking with regard to the report that Goodyear Tire & Rubber Co. of Canada shortly will issue 79,980 shares of common stock of no par value. It is said that shareholders of record may be given the privilege of subscribing for the new shares at the rate of $1 per share in the ratio of 1½ new shares for each share held. The outstanding common now amounts to 53,320 shares, so that the total will amount, if this issue is made, to 133,300 shares.

So far as can be learned, the proposal has not been placed before the board of directors of the company. Until the board has discussed the matter, therefore, the report may be considered merely as street gossip.

Another report which has been circulating recently has been that the dividend on the common of $5 the share would be declared in October. The matter of dividends on the common has not been discussed by the directors and it has been intimated that the matter would not come before them for some weeks or months.

It is known that the company has a large surplus of cash and some sort of a dividend on the common stock is expected to be forthcoming at the end of the fiscal year, September 30th.

It is now considered improbable that there will be an addition to the company's plant at New Toronto at this time, but there is a likelihood that the solid-tire plant at Bowmanville will be enlarged soon. The company is working all three of its plants at full capacity, three shifts of workmen being employed six days a week.

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Montreal Tramways 5% 1955
Duke-Price Power 6% . 1966
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Laurentide Power 5½% 1946
Montreal Power 5% ... 1951
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Hydro-Electric Bond & Share 5% ... 1957
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Gatineau Power 6% ... 1941
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International Paper 6% 1941
Aluminum Co. of A. 5% 1952
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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Saskatchewan Schls. etc.	June	Various	...	....	$68,260	...	...
Peterborough	June	Fry, Mills, Spence & Co.	5%	5 & 10 ins.	100,000	100.277	...
St. Edouard De Fraserville	June	Rene T. Leclerc	5%	7-yr. serial	37,500	99.26	5.21
Napanee	June	R. A. Daly & Co.	6½%	20-yr.	$350,000	100	6.50
Moose Jaw	June	Wood, Gundy & Co.	5%	10, 15, 30 yr.	186,518	98.90	5.07

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Iroquois Apts. Calgary	June	John E. Taylor & Sons	8%	10-yr.	34,000	...	...
Parisian Laundry Co.	June	A. Daly & Co.	½%	20-yr. z	$350,000	100	6.50
Stock Issues—							
Kamiskot.-Rouyn Synd., Mont'l.	June		...	....	5,000 shs.	$10	...
Charles Gurd & Co.	June	J. M. Robinson & Sons and synd.	7% pfd. $5,000 and 22,250 shs. com. no par $107 per unit of 1 sh. pref. and ⅓ sh. com.				
Diversified Stand. Secur.	June	F. J. Fairhall and Associates	8%	Pref.	$1,000,000	...	...
			(In units of one pref. and two com. shs. $35 per unit).				

Pulp & Paper

NEWS SITUATION IS MUCH BETTER THAN EXPECTED

Despite Huge Increased Demand in 1926, Consumption continues Growth

From Our Own Correspondent.

MONTREAL.—While there is an undoubted hesitancy in the newsprint market, there are perhaps many investors in newsprint companies who are over-anxious regarding the situation, and who have failed to remember that even during much more serious times in the industry, no Canadian newsprint company has failed, been acquired by the bond holders or even passed into receivership.

Perhaps one of the most significant things about the newsprint industry is that even in 1921, when a large proportion of the sulphite pulp companies went into receivership, or passed through some form of reorganization, not one newsprint company in Canada experienced the trials and tribulations which affected the sulphite pulp producers.

The combined capacities of the North American mills is in excess of the demand for newsprint paper and as far as can be seen at the moment this situation is likely to persist for some time. The demand will increase, but there are many more machines to come into operation during the next twelve months.

Better Than Expected

While this situation is not one which indicates any immediate market appreciation in the shares of the newsprint companies, it is one which is considerably better than was anticipated seven or eight months ago. At that time many newsprint executives expected the over production situation which materialized at the beginning of the year. In January it was felt that should the Canadian industry operate at 80 per cent. capacity during 1927, it would be doing well.

But despite the spotty business condition in the U. S., the demand for newsprint paper continued to grow with the result that, while most of the mills are operating at below capacity, yet many newsprint executives are satisfied with their present scale of operations.

The reason for such satisfaction can be explained by the fact that the demand for newsprint in the U. S. increased by 16 per cent. in 1926. This large increase in the consumption compares with an average of about 6 per cent. per annum over the last twenty years. The big jump in the consumption in 1926 plus the recession of business in the U. S. brought about the belief that the consumption of newsprint might not increase and might even decline during 1927.

But Increased This Year

Fortunately for the industry, there has actually been an increase in consumption amounting to about 3 or 4 per cent. so far this year. Hence most newsprint executives are well satisfied with present conditions, as considerably w. se were expected.

Some good newsprint common stocks are now selling to yield over 7 per cent.—a rate which has attractions due to the ultimate bright possibilities of the whole industry in this country, despite the present hesitancy in the situation.

What many investors want to know is whether or not they should purchase newsprint shares now, or perhaps say towards the close of the year. In other words, will the newsprint stocks sell lower before they sell higher?

There are questions which it is impossible to answer definitely as there is a sensitive relation between the price of the shares and the ups and downs in the demand for newsprint in the U. S. At the moment there appears nothing to indicate increased prices for newsprint shares before the autumn. New factors might enter into the situation at any time.

Lindbergh Helped Sales

For instance, it is said that Lindbergh's achievement increased both the circulations and the size of U.S. newspapers. A recent strengthening in the demand for paper is said to be due to this cause alone. A slight upswing in U. S. business conditions would also increase the demand.

Thus it can be seen that any forecasts touching the immediate future course of the newsprint stocks are hardly dependable. Regarding the ultimate prospects of the industry, all investment authorities agree that they are of the brightest. These anticipations of an eventual greater prosperity in the industry are based on, first the growing scarcity of available pulpwood reserves, the gradual trend of the industry to the Dominion and finally the fact that the demand for newsprint has experienced a remarkable and almost uninterrupted growth year by year.

St. Anne Paper Starts Operations

From Our Own Correspondent.

MONTREAL.—The St. Anne Paper Company is to celebrate the Diamond Jubilee of Confederation by putting its first machine into operation. The machine has already been turned over, but next week the new plant at Beaupre will actually produce newsprint.

When completed the rated capacity of the new mill will be 250 tons of newprint daily. The output will come from two machines of 125 tons capacity. The second unit in the mill will be completed later in the year.

International Is Increasing Eddy Holdings?

From Our Own Correspondent.

MONTREAL.—It is rumored a substantial block of the minority shares of the E. B. Eddy Company changed hands recently. It is understood that within the past year or two the International Paper Company acquired some of the shares of the Eddy Company. It is thought therefore that the present transaction in the Eddy stock means that the International Paper Company has acquired a larger interest in the paper and match plants at Hull, P. Q. However, while it is said that the International Paper's holdings in the property have been increased, yet it is thought that the control of the property has not changed hands.

The Eddy mills at Hull, P. Q., have a varied output which consists of a daily production of 120,000,000 matches, seven tons of tissue, 25 tons of board, 155 tons of newsprint, 1,000,000 paper bags, eight tons of bags and manilla, 15 tons of wrapping paper and ten tons of book and writing paper.

The International Paper and E. B. Eddy own adjacent limits north of Hull and it is thought that the closer association of the two companies will simply mean increased savings through the closer co-operation of both companies in their woods and log-driving operations.

FRASER COMPANIES PROFITS INCREASE

All Branches of Companies' Activities Yield Larger Revenues

From Our Own Correspondent.

MONTREAL.—It is understood that the earnings of the Fraser Companies for the first half of the current year show a very substantial increase over the first half of 1926.

While the betterment in earnings as compared with 1926 has been substantial, yet . cannot be taken for granted that during the second half of this year earnings will continue to show as substantial an increase over those of a year ago. At the beginning of 1926 the Fraser Companies put its U. S. paper mill into operation and, doubtless, during the initial period of operation, the paper plant could hardly have turned in profits comparable to those which are being experienced to-day. During the first half of 1926 the company had to find markets for its output of paper in the U. S., and costs were high because the paper machines had to be tuned up.

All Branches Prosper

It is satisfactory for the investors in the company to note that this year all branches of its activities have produced better profits. As has been indicated, profits from the paper mill show an increase, earnings from the lumber business are up and, notwithstanding the fact that the sulphite market is generally a little weaker than last year, the company has been able to obtain increased revenues from its production of pulp. About half the company's pulp production goes to its U. S. paper mill.

The outlook for the last half of the year indicates that the Fraser Companies' profits will show an increase as compared with the last half of 1926. Even presuming, though, that earnings during the last six months of 1927 are no larger than during the same period of 1926, it is rumored that the annual report of the Fraser Companies will make pleasant reading for the shareholders. It is understood that the strong liquid position shown on the company's balance sheet for the year ending December 31, 1926, has been well-maintained.

ROYAL SECURITIES NOW INTERESTED IN CORNER BOOK

Spanish-Abitibi Also Interested?—But International Holds Option

From Our Own Correspondent.

MONTREAL. — Dispatches from Newfoundland indicate that the Royal Securities Corporation has offered to negotiate for the purchase of the Newfoundland Power and Paper Company which operates newsprint mills at Cornerbrook, Newfoundland, with a capacity of 400 tons daily.

While it is definitely known that the Royal Securities Corporation is negotiating with a view to obtaining the property, the International Paper Company already holds an option on the plant.

Before exercising its option, the International Paper Company has asked for many concessions from the government of Newfoundland and these concessions have met with anything but a favorable response at the hands of the government. The government has stipulated that the Labrador must be excluded entirely from the concessions.

The concessions which the International demand include chiefly the right to export pulpwood perpetually and cumulatively at the rate of one cord to every four manufactured; to forego royalties of $1 a ton on paper and 25 cents a horsepower on electricity; and to a grant of 4,000 square miles of forest land in the Labrador to form reserves for future operations, giving the company five years to make its selection, the company to pay $2 a square mile annually therefor. The demands of the International Paper also include the waterpowers at Muskrat Falls in Labrador.

Would Expand Plants

It is understood that in its negotiations with the government of Newfoundland that the Royal Securities has intimated its willingness to acquire immediately and to add two paper-making machines to the equipment.

The Royal Securities is understood to be acting on behalf of a strong group of Canadian capitalists interested in the enterprise. No information whatever regarding the negotiations can be obtained from the Royal Securities Corporation. It was thought at one time that Sir Herbert S. Holt might be interested in the deal, but The Financial Post learns from authoritative sources that the Holt interests are not behind the investment bankers. Thus, perhaps the Spanish River-Abitibi interests may be included in the negotiations to secure control of the great Newfoundland project.

It will be recalled that the Royal Securities Corporation was instrumental in financing the Manitoba Paper Company which is owned by Spanish River-Abitibi interests.

Offers a Better Deal

The Royal Securities Corporation, so it is said, has intimated that it would be willing to acquire the Cornerbrook plants without asking the right to export raw pulpwood and several of the other concessions for which the International Paper is asking.

While the Newfoundland government may regard the proposals of the Royal Securities Corporation with more favor than those of the International, yet the International Paper has an option on the Cornerbrook plant. Thus the chances of the Royal Securities success in acquiring the property depend upon whether or not the International Paper reaches a satisfactory agreement with the Newfoundland government and exercises its option.

Much Over-Capitalized

The capitalization of the Newfoundland Power and Paper consists of £2,000,000 in 4½ per cent., mortgage debenture stock guaranteed by the British government; £2,000,000 5½ per cent., mortgage debenture stock which is guaranteed by the Newfoundland government; $10,000,000 in 6½ preference shares; $6,000,000 in ordinary shares and $5,000,000 in preferred ordinary shares. While the plant and equipment of the company are very efficient and modern in every respect, yet it is certain that as compared with similar projects the capitalization is extraordinarily high. The company has fallen down on the interest payments on its two mortgage debenture issues and has called upon the two governments to meet the payment due in July. Thus, it can be seen that the sale of the property to new interests would prove satisfactory to the government—provided that the new interests do not ask for too large concessions.

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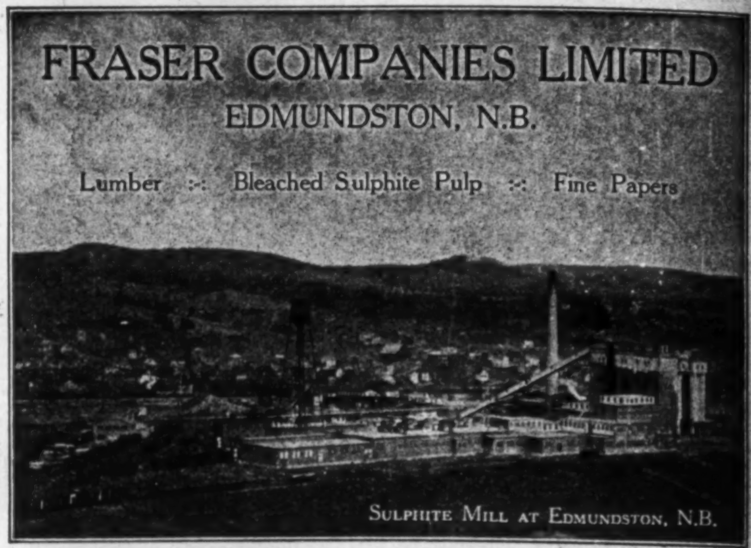

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Newman, Sweezey & Co.
LIMITED
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Mills at PORT ALFRED, P.Q.

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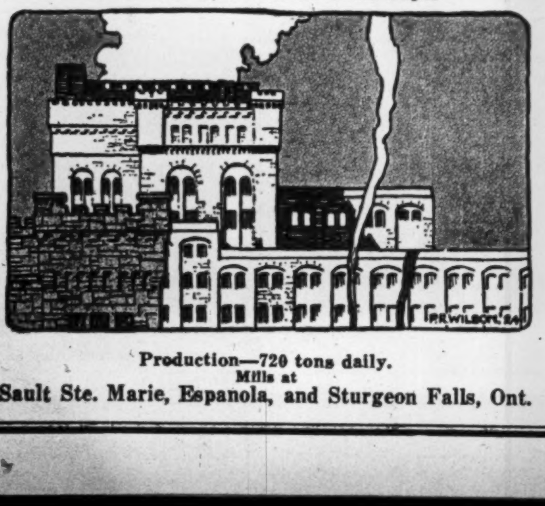
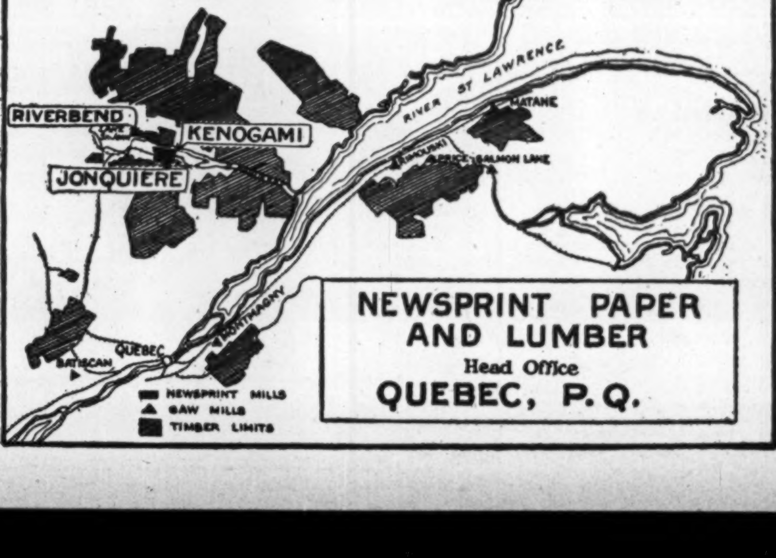
Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

PRICE BROTHERS & COMPANY LIMITED


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Head Office
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St. Maurice Valley Corporation
Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

GREATER AERIAL ACTIVITY LOOKED FOR THIS YEAR

Plans for Mail and Other Services Taking Shape

New developments which have lately arisen in connection with Canada's aerial program for the current year, presage a period of exceptional activity, which will undoubtedly result in placing this phase of transportation on a sounder footing. At the last session of the Federal House a vote of $3,892,233 for the Government Air Service was passed and an elaborate programme mapped out. It was pointed out at the time that it was planned to separate the military and civil air forces in order to provide for more effective work.

Plans for an air mail service in Canada are taking more definite shape now that the secretary of state and the postmaster-general have stated that the Government intends to establish an air mail service at an early date and to extend it to Eastern and Western Canada as conditions warrant. This year was to have seen the inauguration of such a service between Rimouski and Toronto and Ottawa on the part of the Government, and from Rimouski to Montreal by a private company subsidized by the Government. This now has been postponed until probably next spring.

Tenders for Mail Routes

Tenders for air mail routes will not be called for until this fall. Late in the summer the Royal Canadian Air Force will undertake some experimental work in the gulf of the St. Lawrence and will carry on until the winter months, the intention being to secure accurate information on flying conditions before any contracts are entered into with private concerns. In addition to this preliminary work which has regard to a projected transfer of mails from incoming steamers to the larger eastern centres, it is expected that the force will be called upon to deliver mail to points in the north not accessible by dog team, in order to learn of actual working conditions, this doubtless looking to the establishment of regular mail routes.

Canada's future as a link in an Empire chain of airship services, anticipated as coming about within the next decade, is a step nearer as the result of the arrival of Major Scott, of the British Air Ministry, to advise the Canadian government in the selection of a location of a mooring mast for airships. Several points in Eastern Canada and the Maritimes, including Montreal, Ottawa, and Toronto, Halifax and Kentville, have been visited and grounds inspected. From data secured Major Scott will make a report to the Canadian government to guide it in its decision as to where the mooring mast, to cost $400,000, will be located.

Service in Many Fields

An addition to the multifarious uses to which the aeroplane is being put in Western Canada will be made this summer when an aerial attack will be made upon black rust, one of the most serious enemies of Canadian grain growers. Two aviators of the Royal Canadian Air Force who were sent down to the cotton fields of the Mississippi and there studied the methods recently adopted for fighting the boll weevil, will give instructions for carrying on a similar campaign against black rust this summer, one in Eastern and one in Western Canada.

An addition has been made to the commercial air services operating into developing mining fields in Canada through the inauguration of regular flights, after plans drawn up in conjunction with the Manitoba Chamber of Mines, from Lac du Bonnet into the mining area of Northern Manitoba. Planes used are thoroughly modern seaplanes of cabin type, capable of carrying four passengers to a thousand tons of freight, and as many of the mining properties in the Manitoba field are very close to lakes with which this district is plentifully besprinkled, visitors can be landed within walking distance of almost any mine.

There is evidence of ever-extending interest on the part of the Canadian public in aviation affairs. Fifteen Canadian cities and municipalities have already set aside land for air bases, including Edmonton, Alta.; Haileybury, Ont.; Fredericton, N. B.; and Virden, Man.; and representatives of the Royal Canadian Air Force are visiting these as part of the department's program to establish air routes across Canada. The Department of National Defence is stated to be seeking an aircraft base on the Pacific coast, and plans are said to involve the establishment of two civic flying fields, one for seaplanes and one for airplanes.

Meanwhile the plane is coming into ever wider use in Canada. Six Fokker machines have been purchased by the Canadian government in the United States for extensive survey work in the Hudson Straits, an elaborate expedition which will be absent for fifteen months and involve some of the most intensive and hazardous flying conditions the Royal Canadian Air Force has undertaken. Ontario has recently purchased four "Moth" seaplanes in England, of the light, fast type, for use by the provincial government in patrol work in the forests of Northern Ontario. These machines, efficient in every way, can be operated at one-tenth of the cost of the larger machines now in use, and will add immensely to the work the department will be able to accomplish. Very brisk activity prevails at the yards of Vickers Ltd., in Montreal, the only place where aircraft is manufactured in Canada. Ten planes have been constructed recently for the Canadian government for use by the Royal Canadian Air Force in surveys to be carried out in the Maritime Provinces and Western Canada.

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23

DISTRIBUTION OF SAVINGS ESSENTIAL

Investments Should Be Diversified for Best Results

It is said that the most effective diversification in investing considers the amount of investment capital, the type of securities, the geographical locations of the issuers, and the maturity date of each security. In considering diversification according to the amount of capital, the investor should determine that unit of investment which will prevent the number of securities from becoming burdensome and, at the same time, give him the widest spread possible within the limits of his investment capital. There is obviously no rule to follow other than that dictated by commonsense. Whether a man sets his investment unit at $100 or $10,000 will be determined by the amount he can invest systematically, the availability of different issues at a price corresponding to that unit, the time he can give to the handling of his account, and the extent of the distribution he wishes to achieve. The points to be kept in mind are that some unit is necessary as a guide, and that it should be kept as low as possible.

Diversification Pays

Diversification, according to the type of security or, in other words, according to the character of the issuer, can be very easily accomplished. A good spread might be arranged something like this: 15 per cent. in foreign government bonds; 10 per cent. in railroad securities; 30 per cent. in public utility bonds; 20 per cent. in industrials, and the remaining 20 per cent. in real estate, municipal or government bonds, or in good preferred and common stocks. In each class there should be further diversification. All railroad bonds, for example, should not be the obligation of one or two systems, or even of one type of road alone. Utilities should include gas, water, power and light, and carefully selected traction securities. It is always well to see that no one class of security or no one company is represented too heavily.

There is foolhardiness in trusting all one's savings to one locality. Hardships have fallen on certain sections of this country, and Europe, which have greatly impaired the safety of loans therein. A consideration of these sectional catastrophes will prove that it does not pay to be provincial in investments.

There are two good reasons for providing diversification according to maturity. To have all securities pay off at the same time would be unwise, since it would necessitate a reinvestment of the funds under money conditions which might not be advantageous. If bond prices at that date should be higher than at the time the investment was made, the money then reinvested would yield a lower income. Again, by providing for diversification according to maturity, the investor takes the best possible step to prevent a severe fluctuation in the purchasing power of his savings.

Business Conditions in the United States

The dollar volume of trade in the United States during the third week of June, as indicated by cheque payments, although less than in the previous week, was larger than for the corresponding week of 1926, according to the weekly statement of the Department of Commerce. Wholesale prices remained the same as during the previous week, but were still well below the level of a year ago. Prices for cotton declined slightly, while wheat prices advanced.

Loans and discounts of federal reserve member banks were substantially larger than in either the previous week or the corresponding week of last year. Interest rates on time money also averaged higher than in either the preceding week or a year ago. Bond prices again declined, as compared with the previous week, but were higher than last year. Stock prices showed little change. Interest rates on call loans, although higher than in the same week of 1926, were lower than in the preceding week. Loans to brokers and dealers by federal reserve member banks in New York City, secured by stocks and bonds, continued to expand. The federal reserve ratio, although slightly lower than in the previous week, was higher than in the corresponding week of last year. Business failures were less numerous than in the preceding week and were practically the same as in the same week of last year.

Production of bituminous coal during the week ending June 11 was larger than in the previous week but less than in the same week of last year. The output of lumber during the same week showed like comparisons with both prior periods. Beehive coke output was considerably lower than during either the preceding week or a year ago. The production of crude petroleum was almost as great as when the new high level was reached during the first week of June. Freight carloadings continued to show a large distribution of goods, although less than a year ago. Receipts of cattle at the principal markets were smaller than a year ago, while hog receipts were greater.

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AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

Vision

TO the men of vision all the world is indebted. To the race of pioneers in every age, in every nation and in every line of human endeavour, both honour and respect are due.

Particularly, at this sixtieth anniversary of Canada's nationhood, should we remember, with pride and gratitude, the men whose foresight and unfailing courage made our Dominion a reality.

And, as to them, let us also pay tribute to the host of others—unknown to history—who faced the perils and discouragements of the early days to hew a civilization from the wilderness, to establish for Canada her place among the nations of the world. Their work has borne rich fruitage in the progress of the Dominion — such progress as is evidenced by the stupendous development of electric power, one of the greatest factors in Canada's national and industrial prosperity.

The spirit which moved in the hearts of all these men still lives — still calls today, as it did in those early days, to the man of vision—still challenges the hopes and aspirations of youth.

And there are still men to answer the call—to catch the vision—to accept the challenge. For Canada's life is but beginning; illimitable possibilities stretch out before us; a noble past points to a yet more glorious future, the most alluring future any nation has ever known — and Canada's sons of widest vision are they whose eyes are open to the golden opportunities of their homeland.

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Overproduction in Crude Makes Higher Dividends on Imperial Oil Unlikely

Future Fraught With Problem of Marketing Petroleum Products

USE ALBERTA LIGNITE?

German Process May Mean Next Refineries Will be Built at Mouth of Coal Mines

With over-production of crude in the Seminole field in the United States continuing unabated, with only the sands nearer the surface being touched and the lower sands of proved value, with production in Venezuela and other countries increasing and with the manufacture of fuel oil from coal definitely within the range of practical economics, the future of the oil industry is fraught with serious problems.

The immediate outlook for the shareholders of oil producing companies, is anything but rosy. Lord Bearsted, chairman of the Shell Transport & Trading Co. said a few days ago that the over-production had not yet reached its peak.

Stop Cracking Process

Officials of Imperial Oil and other companies serving the Canadian field express the same opinion. The Seminole field is being exploited feverishly. The wide variety of interests in that field prevents a mutual agreement whereby production would be kept down more nearly in proportion to demand. The Standard Oil Co. of New Jersey and the Standard Oil Co. of Louisiana have curtailed production of motor-vehicle fuel by the cracking process because, under present conditions of over-production of crude, the cracking process fuel cannot be sold in competition with the straight-distilled product.

Vast quantities of oil are going into storage daily. A great amount of additional storage space is being built. The tanks cost money and it eries are built at the mouths of coal mines.

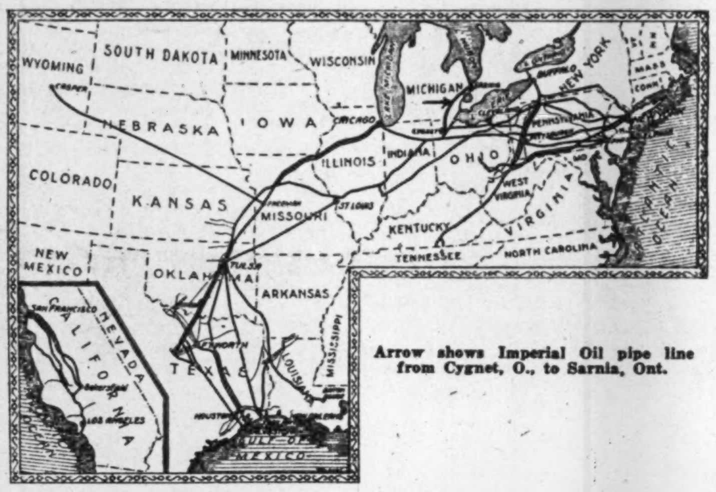
With regard to the situation confronting the Canadian oil companies, it may be said that, the ultimate outlook is not unfavorable so long as certain companies remain mere distributors and so long as the larger companies, such as Imperial Oil, remain in a position aggressively to take advantage of new developments of changes in the industry. But the immediate outlook is not very good.

No Increase Soon

It will be a long time, it is expected, before Imperial Oil, for instance, will be able to increase its present dividend rate. The profits are not so great as formerly, it is understood, although this company adheres to its traditional policy of not giving exact information to its shareholders, at least to its lesser shareholders. The company will desire to maintain a strong financial position in order that it may, when the time comes, develop the Bergium process in this country, both by acquirement of the patents from the German interest and by the purchase of lignite properties wherever these are to be found. Further, the company is likely at some time or another to place on the market, a tested device for using oil in the heating of homes. It is admitted in Standard Oil circles that the company has been pursuing a wrong policy in this regard in the last several years when a shortage of petroleum products appeared to be an imminent possibility for the present generation. The situation has changed. The problem is now not where gasoline is to come from to supply the countless motors of the world, but in what manner a market is to be found for the constantly increasing supplies of petroleum.

Whatever changes are going to confront the company within the next few years every change, even if it concerns merely the storage of oil, will require money in large quantities. This means that distributions for the shareholders are im-

How Pipe Lines Bring Oil to Refinery at Sarnia



Arrow shows Imperial Oil pipe line from Cygnet, O., to Sarnia, Ont.

costs money to finance the long-term storage of oil. Imperial Oil Co. and other distributors are facing more severe competition in the marketing end of the business, as well. It is said that any owner of a roadside hot-dog stand is able to install a tank and pump on a payment of $5 or slightly more and that the competition from this source is beginning severely to be felt by companies which will not put a man in business on such a flimsy basis.

The oil business and the fuel business generally will be revolutionized, if it is true that the next oil refineries will be built at the mouths of bituminous mines. The annual report of the chemical dye trust, which is printed herewith, indicates that the process is now a commercial success and it awaits only practical application to put coal companies into the oil business or to bring oil companies into the market for the purchase of coal mines.

Solve Fuel Problem?

Incidentally, it will be noted that lignite is cited as the best type of coal from which oil can be produced. Lignite is the coal which is obtainable in limitless quantities in Alberta. Oil also is being found in Alberta, but there are prophets in Canada who are predicting that, within a generation, the problem of heating fuel in Central Canada will be solved, not by lower freight rates on coal over Canadian National Railways, but by pipe lines from the mouths of the lignite mines in Alberta to all the towns and cities of Ontario and Quebec. While a higher grade of coal than lignite is mined in Nova Scotia, it is said that the bituminous there may be converted into the same manner into oil at reasonable cost.

With soft coal being converted into oil at the mouths of coal mines, a steadily decreasing supply of coal will be moved from the mines on the railroads. Oil can be moved in pipelines at one-tenth of the cost of moving it in freight cars. Thus it will be cheaper to use oil than to use coal.

The Standard Oil Co., which a few years ago was opposing the development of devices for heating homes with oil, is now definitely favoring the project as a means of giving the oil companies a market for the steadily increasing supply of crude oil in all quarters of the world. This steadily increasing supply is aside from the increased supply which will be available at any time the refin- probable beyond the amounts now going forward every three months.

Still Sell at Profit

International Petroleum, Imperial Oil's subsidiary, which is developing the Peruvian and the Colombian fields, is producing a greater quantity of crude at this time than ever before in its history. The production is being increased almost daily.

While International Petroleum has been compelled materially to reduce its prices on oil coming from Colombia and Peru, it is admitted by Imperial Oil officials that the oil still is being sold at a profit. The profit is not so great as was hoped for when Andian National Corp. a year ago began construction of a great new pipeline to the coast from the interior of Colombia. Nevertheless, there is a profit in the face of the low-cost production in the Seminole field in the United States. Imperial Oil benefits directly from the profits accruing to International Petroleum for the reason that Imperial Oil owns a majority of the stock in International Pete. Andian National Corp., the company which operates the pipelines for International Pete, has no corporate connection with that company, but International Pete is represented on its board of directors.

Pipeline to Sarnia

As will be observed by the accompanying map, Imperial Oil itself is served by a pipeline from Cygnet, O., where it connects with main pipe lines from the Southwest states, to Sarnia under the St. Clair river. The crude oil is delivered over a pipeline mileage of 1,124 miles, says the current issue of the Imperial Oil Review, where it is refined to gasoline and other petroleum products at the Sarnia refinery.

"If one could travel in a straight line from Halifax, N. S., to the middle of Lake Superior," adds the Review, "he would realize somewhat the distance this crude oil has to be pumped. A barrel of crude oil when delivered to the initial pipeline carrier at Bartleville, Okla., would take approximately 50 days to reach the Imperial Oil refinery at Sarnia."

"Mention might be made," continues the Review, "of the primary development of the pipeline system at Turner Valley, Alta. There a line is operated direct from the Black Diamond field connecting Royalite well No. 4 to the Calgary refinery at a rate of 550 barrels a day, an hourly rate of 50 barrels.

"Building a pipeline, like constructing a railroad, involves first a survey of the route with regard to grades, stream crossings and the like. But a railroad seeks the cities to get their business, while the pipe line avoids towns to save expense.

"A feasible survey being made, right-of-way is secured. Gangs of men distribute the pipe and join it into continuous line. This joining is done before the pipe is lowered into the trench that meanwhile has been dug for it, largely by great power ditching machines. Finally, the pipe is buried, commonly about eighteen inches, but deeper in cold regions.

Is Operated Cheaply

"According to desired capacity, the pipe may be 4, 6, 8, 10 or 12 inches in diameter, or even larger. While the pipe is being laid, pumping stations are erected to push the petroleum along. Commonly these are about forty miles apart, but in rough country or for heavy viscous oil, much closer. A pumping plant includes engines and pump powerful enough to shove the oil along to the next station. At each station storage tanks are provided of 10,000 to 55,000 barrels capacity, and oil is pumped directly to and from these; that is, there is not a continuous stream, but a succession of pumpings from one storage tank to the next. A four inch pipe line with 800 pounds per inch pressure will deliver about 3,800 barrels per day; a six-inch line, 10,000 barrels; eight-inch line, 21,000 barrels.

"Pressure gauges at each pumping station immediately register any stoppages of flow or leakages. When a break s indicated, the engineer instantly telephones the next station ahead, and telegraphs the superintendent. Then the engines are reversed so as to draw the oil, by suction, away from the break. Line walkers corresponding to the railroad's track walkers, hurry out to locate the break, and gangs are always at hand to make repairs. Because of the storage tanks at pumping stations a break does not necessitate suspension of pumping except in the section where the break occurs; all other sections go right on pumping from and to the storage tanks.

"Once in commission, a pipe line's operations are practically automatic and continuous. They proceed 24 hours daily throughout the year. In proportion to tonnage and distances, a very small force is required to operate a pipe line.

TWO WOLVIN MEN DESERT BESCO PLAN

(Continued from page 1)

the stock out of control of the present shareholders.

Secrecy is Alleged

This point is especially emphasized, it is said, because neither the management nor Hayden, Stone & Co., who have stepped into the fray, have said what is the nature of the "second step" which they propose to take in order that the corporation may get the money which is claimed to be needed.

National Trust Co., on the other hand, claims that there is no need for cash immediately. It is asserted that the whole Besco fabric could be carried on for a time just as Dominion Iron has been carried on, until it is determined definitely what is best to do. When that point has been reached, it is asserted then would be the proper moment to approach the shareholders with a scheme of reorganization which would be all-embracing and open, and which would not leave a second step ultimately to be revealed to shareholders after the shareholders have voted themselves out of control of the company.

Moreover, it is asserted that the corporation should not at this time contemplate further financing for the reason that money at this time would be very costly. The corporation has not had a satisfactory earnings record, its securities are held in ill repute in every investment circle and the corporation has not recovered from the crisis occasioned by the prolonged strike of the coal miners.

Entry of Hayden, Stone & Co. into the British Empire Steel Corp. picture has undoubtedly weakened the chances of the National Trust Company of obtaining sufficient proxies to control the vote at the special general meeting to be held in July. But whether National Trust wins at this meeting or not it hopes in time to change the Besco management.

The firm of Hayden, Stone & Co. is a large investment banking house in the United States, and is interested in Besco through underwriting and distributing to its customers securities which are now represented by the second preferred and common shares of the British Empire Steel Corp. The U. S. banking firm is also interested in the position of the bondholders of the Dominion Iron and Steel Corp., for in 1922 the investment house purchased and sold the consolidated 5 per cent. bonds of the Dominion Iron & Steel Co.—that is, the dollar currency bonds which are guaranteed by the Dominion Steel Corporation.

Raps National Trust

In an open letter to the shareholders of Besco, Hayden, Stone & Co. come forward with a definite plan and state that if the shareholders give their approval to the exchange of Besco stock for new stock of no par value, that "a group of Canadian interests of unquestionable standing and financial responsibility" will assume control and become responsible for the management of the Besco chain of industries.

Hayden, Stone & Co. strongly urges the Besco shareholders not to accept the suggestions of the National Trust Co. and urges them to accept the plan for the capital reconstruction of the corporation which has already been approved both by the management and by the shareholders' committees.

The Hayden, Stone & Co. letter to the Besco stockholders makes the following points:

That if the National Trust Co. had been successful in its suit to wind up the British Empire Steel Corp., the winding up would have yielded nothing to the second preferred shareholders and would have wiped out, not only their equity, but any voting control as well.

That the National Trust Co. has never provided any capital for the corporation and that it has no definite plan to assist the corporation out of its difficulties.

Will Provide Capital

That it is the belief of Hayden, Stone & Co. that the efforts of the National Trust Co. are directed to obtaining control of the industries rather than to working out the financial situation of Besco and its subsidiaries in a manner calculated to protect the interests of the security holders.

That the trust company seeks control, and yet does not propose to furnish capital; whereas Hayden, Stone & Co. do not seek the control of the property but stand ready, in co-operation with strong Canadian bankers, to furnish the necessary capital.

In concluding the circular letter to the shareholders, the investment house strongly recommends that if any shareholders have sent their proxies to the National Trust Company, that another proxy be sent bearing a later date to the management of the British Empire Steel Corp. The investment bankers also show theirs, and their clients, interest in the corporation by stating that in recent years they have sold over $9,000,000 securities in Besco and its subsidiaries.

Hayden, Stone & Co. has not announced just who are the strong Canadian interests which will step into the Besco picture and become responsible for the management. No information is forthcoming on this subject.

Interests aligned with the present management of British Empire Steel Corp. in its fight to retain control of the enterprise, hail as a distinct reinforcement a letter to shareholders which has been sent out over the signature of Hayden, Stone & Co., New York and Boston investment bankers. This firm has financed Besco and its subsidiaries to the extent of $9,000,000. This is, they have underwritten issues which have been resold to the public. It is suggested that Hayden, Stone & Co. may be seeking the job of re-financing Besco. In any plan of reorganization of Besco which involves the transference or sale of securities, blocks probably would have to be underwritten. The underwriting house of Hayden, Stone & Co. has a representative on the board of British Empire Steel Corp. in the person of R. F. Hoyt.

Author of Hoyt Plan

Mr. Hoyt, it will be recalled, is the author of the famous Hoyt plan about which there has been so much discussion since the National Trust took the case of Besco to the courts. The Hoyt plan, which was roundly condemned by National Trust and others, involved at the outset an underwriting commission of $220,000, and certain persons who have professed to have analyzed the plan assert that securities to the actual value of $11,000,0000 would have been wiped out.

The complexities of this controversy are too involved to be understood thoroughly, or more than momentarily remembered, by any but those who are living with the case hourly. But the shareholders who are not in position to determine the exactitudes of the situation, are confronted with the broad question:

Should they give their proxies to National Trust or to Roy M. Wolvin?

To Call in Best Minds

National Trust Co. offers this, in effect:

Ousting of the present management of Besco will open up the whole situation. A group of the best minds of Canada will be called to delve deeply into the affairs of the corporation which has been upbuilt in the Maritimes. They will examine the books and accounts of all the companies, inspect the physical properties, study the markets, endeavor to eliminate excessive costs where existing and then make a definite concrete plan which will not only take care of all security holders according to the rank of their claims, but, by virtue of laying all cards on the table, be able definitely to place before the government the needs of the Maritimes and the industry with respect to bounty or customs duty, or both. The various classes of security holders, it is declared, will know exactly where they stand when the trust company or the liquidator makes its proposals.

In support of the reasonableness of this offer, National Trust suggests, in its various pronouncements, these inferences:

That the existing management of Besco has not the confidence of the government, the public, the shareholders, or the workers.

That the National Trust, in seeking to safeguard the bonds, is working in the interest of the industry, and, for this reason, in the interest of all classes of security holders in addition to those in whom it has a special interest.

That the National Trust is willing to co-operate with any group which will advance a sound, definite plan for reorganization, but that it cannot subscribe to the present proposals for the reason that those proposals are admitted to be but "a first step," while the second and final step has not been divulged.

Surrender, Blindfold?

It is claimed that for the shareholders to give their proxies to the management is for them to surrender their rights, under the present proposals, in the blind hope that, in the second step or final reorganization, they will be remembered in the distribution of new securities. The advocates of the National Trust programme are arguing that it would be better to have the affairs of the corporation for a time administered by a liquidator, who is virtually a court officer, and to trust the court that in the final reorganization of the industry, none who has an equity in any of the properties will be forgotten or ignored.

Advocates of the National Trust programme profess not to be worried by the letter to shareholders from Hayden, Stone & Co. It is asserted that the trust company is hourly receiving proxies from shareholders. Many of these, it is said, have changed their views in recent weeks. So far as can be learned, the battle of proxies has just begun.

Although Justice Chisholm in the Nova Scotia Supreme Court has not, as yet, handed down a decision in the application of National Trust for appointment of a receiver for Dominion Steel Corp., the trust company, it is apparent, is still firmly of the opinion that there should be an interregnum of quasi-judicial administration of the properties between the moment of the ousting of the present management, if and when it comes, and the establishment of a new regime. In other words, all the enterprises in the Besco group should be operated in receivership until permanent plans can be laid.

Call It Achievement

This interregnum, as is intimated in the foregoing, would be employed in a manner similar to period of receivership of Dominion Iron & Steel Co. It is claimed on behalf of National Trust that considerable economies have been effected in that unit of the Besco fabric, that the plant has been kept busy and that the returns on the specific investment are beginning to be highly satisfactory after less than a year of management by the trust company.

This record of achievement by the trust company is cited in answer to the criticism of trust-company management in general—that it is seldom constructive and frequently is deadening. It is asserted that the receivership of Dominion Iron has been constructive and aggressive as well as economical.

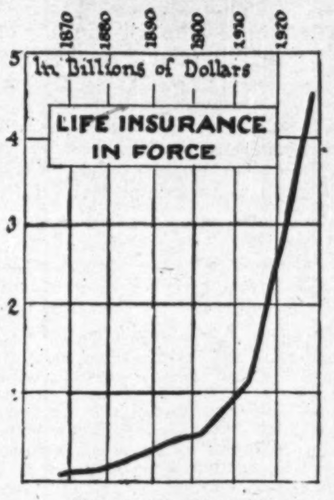
Wolvin Attacks Flavelle

A letter of explanation of the Wolvin reorganization plans, sent to shareholders this week by President R. M. Wolvin, attacks Sir Joseph Flavelle and the National Trust Company, charging them with a desire to start a reorganization from the ground up that will enable them to benefit from the past toils and present improvement.

The letter explains why the attempt to wind up Dominion Steel is opposed. The proposed reorganization plans of the management will, it says, provide Besco with cash to meet the liabilities of Dominion Steel and make it unnecessary to wind up that unit. The letter proceeds: "It is the intention of your directors that after capital reorganization any securities sold hereafter (to provide the new funds) shall be offered first to the shareholders. If some of them decline to take up their quota, your directors believe that outside investors will readily do so, in their stead.

"With the danger of liquidation removed, the marked betterment throughout in your company's earnings should allow it to emerge from its present difficulties."

Sixty Years of Progress in Canada



—Chart by The Financial Post.

Perfection Glass Company Announces New Purchase

From Our Own Correspondent.

MONTREAL.—The Perfection Glass Company has made a formal announcement over the signature of the president of the company of its purchase of the Toronto Plate Glass Importing Company, which was established 46 years ago.

The new Toronto plant of the Perfection Glass is 512 by 120 feet in size and is modern in all respects. The company is in a position to supply all kinds of flat glass; sales of the bullet proof glass, upon which the company holds the exclusive patent rights for Canada, are making satisfactory and steady progress.

NATIONAL STEEL LISTED

MONTREAL.—The shares of the National Steel Car Corporation have been called for trading on the Montreal Curb Market. Since 1922 the stock has been traded in on the curb in Toronto. The company's plant is located in Hamilton, Ontario, where it produces freight and passenger railroad equipment, and in addition motor trucks.

ELECT DIRECTOR

Harold MacPherson, president of the Royal Stores, St. John's, Nfld., has been elected a director of the Ontario Equitable Life Insurance Co. of Waterloo, Ont.

RAILWAY EARNINGS

Week End June 21	1927	1926	Change
C.P.R.	$3,248,000	$3,428,000	$180,000
C.N.R.	5,231,635	5,404,569	172,934

MONTREAL TRAMWAYS COMPANY

Dividend Notice

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per share, for the period ending June 30th, 1927, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record the 7th day of July, 1927, at 4 o'clock p.m., and payable on the 15th day of July, 1927.

By Order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.
Tuesday, June 28th, 1927.

McCOLL BROTHERS LIMITED

Notice of Redemption of Preference Shares

Notice is hereby given that McColl Brothers Limited intends to redeem all the outstanding Seven Per Cent. Sinking Fund Cumulative Convertible Preference Shares of the Company on the 1st day of September, 1927, at the price of $107.50 per Share plus all unpaid accrued dividends down to said redemption date. All holders of such Shares are required to surrender their Certificates to National Trust Company, Limited, the Company's Transfer Agent, at its Office, 20 King Street East, Toronto, or to the Company at its Head Office, 114 Don Esplanade, Toronto, on or after said date.

From and after said 1st September, 1927, the said Preference Shares shall cease to be entitled to dividends, and the holders thereof shall not be entitled to any rights in respect thereof except the right to receive the redemption price therefor.

Notwithstanding the call for redemption of the said Preference Shares the holders thereof may prior to 1st September, 1927, exercise their right to convert Preference Shares into fully-paid Common Shares of the Company without nominal or par value on the basis of three such Common Shares for each Preference Share.

By Order of the Board,
ARTHUR HUGHES,
Toronto, June 27th, 1927. Secretary.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1927, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 4th day of July, 1927, to shareholders of record of the 20th June, 1927.

By order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 26th May, 1927.

Laurentide Company Limited

Dividend Notice

A Dividend of one and one-half per cent. (1½%) has this day been declared upon the Capital Stock of this Company for the quarter ending June 30th, 1927, payable July 2nd, 1927, to shareholders of record at the close of business June 17th, 1927.

By order of the Board of Directors.
W. T. ROBINSON,
Secretary.
Montreal, Que., June 7th, 1927.

THE STEEL COMPANY OF CANADA, LIMITED

Preference Dividend No. 64

Notice is hereby given that a dividend of one and three-quarters per cent. on the issued and fully paid Preference shares of the Company has been declared for the quarter ending June 30th, 1927.

Ordinary Dividend No. 42

Notice is also given that a dividend of one and three-quarters per cent. on the issued and fully paid Ordinary shares of the Company has been declared for the quarter ending June 30th, 1927.

The above dividends are payable August 1st, 1927, to shareholders of record at the close of business July 7th, 1927.

By order of the Board.
H. S. ALEXANDER,
Secretary.
Hamilton, Ont., June 22nd, 1927.

Canadian Industrial Alcohol Company Limited

Dividend Notice

Notice is hereby given that a dividend of thirty-two cents (32c.) per share has been declared on the Capital Stock of this Company for the quarter ending 30th June, 1927, payable 15th July, 1927, to shareholders of record at the close of business on 30th June, 1927.

By order of the Board.
J. GIBSON LAWRENCE,
Secretary.

PENMANS LIMITED

Dividend Notice

Notice is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1927:—

On the Preferred Stock, one and-one-half per cent. (1½%) payable on the 1st day of August to Shareholders of record of the 21st day of July, 1927.

On the Common Stock, One Dollar ($1.00) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1927.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, Que., 27th June, 1927.

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The Financial Post, Toronto.

Debentures for Sale

Sealed Tenders addressed to the undersigned and marked on outside "Tenders for Debentures" will be received up to noon Friday, July 15th, 1927, for the purchase of $100,000.00, thirty year, 5½% Debentures of the School District of Dauphin Town No. 905 (Consolidated).

The highest or any tender not necessarily accepted.

For further information address,
R. M. CARDIFF,
Sec'y-Treas. Dauphin Town School District No. 905.

McColl Brothers Limited

Dividend Notice

Notice is hereby given that the Board of Directors have declared the regular quarterly dividend of 1¾% on the Preferred Stock of this Company, payable on the 1st day of September next, to Shareholders of record at the close of business on the 15th day of August, 1927.

Also the regular quarterly dividend of 20c. per share on the Common Stock of the Company, payable on the 1st of September next, to Shareholders of record at the close of business on the 15th day of August, 1927.

The transfer books of the Company will be closed from the 16th to the 31st day of August, both days inclusive.

By order of the Board.
ARTHUR HUGHES,
Secretary.
Toronto, June 27th, 1927.

Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. | 10c. a Copy; $5.00 a Year | PUBLICATION OFFICE: TORONTO, JULY 1, 1927 | Member of Audit Bureau of Circulations | No. 26

These Large Industries Typify Canada's Mineral Progress

World's Greatest Non-ferrous Metal Producer

Trail smelter and refining plants of Consolidated Mining and Smelting Company which produces $35,000,000 in copper, lead zinc, gold and silver yearly.

Canada's Biggest Gold Producer

The immense reduction plant of Hollinger Consolidated Gold Mines at Timmins, which is now treating close to seven thousand tons of ore every twenty-four hours.

Leads World in Nickel Production

International Nickel's large smelting works at Copper Cliff, Ont. It will soon be enlarged by the erection of a electrolytic copper plant.

Rouyn — Where Hunt for Copper in East Started

Discovery of Horne property in Rouyn, Quebec, resulted in many additional copper discoveries and sent prospectors back to Ontario to look for similar deposits. —*Photo by Fairchild Aerial Surveys.*

Estimate 500 to 600 Men at Work in Woman Narrow Lake Section

Many New Discoveries Reported on Various Active Operations in Area

CAMP LOOMS LARGE

Engineers See One of Largest Gold Camps on the Continent in the Making

Wide attention is focused on Woman Lake section. The exploration of the various spectacular properties in the area known as Woman and Narrow Lakes, is going ahead rapidly, but quietly. Back so far from the railway, news is slow in coming out and is meagre in detail. However, an engineer who has just covered most of the section, estimated that there were between 500 and 600 men engaged in exploratory work in the area and that numerous new finds are being steadily made.

Big things are predicted for Woman Lake. It is the opinion of some engineers that it will make one of the largest gold camps on the continent. Values being secured in various parts of the country average quite high.

Quite a large amount of U. S. funds are going into the camp. It is learned that Rochester interests associated with the T. H. & B. Railway and New Yorkers have just made a deal on a large group at Pipestone Bay not far from the rich discovery of Taylor's, recently reported and which it is said was optioned to Coniagas Mining Co. There is a report abroad that there is litigation pending over the Taylor group. E. S. Henley put through the Rochester deal.

Two Deals Under Way

Ontario Woman Lake is reported as negotiating with two groups for holdings it has in the camp. These involve the first claims staked in the camp on the West shore of Woman Lake. Just recently a new and important vein of white quartz was found on this group. It carries high values over a good width. There are several other veins on this property on which a lot of work was done, including 10,000-ft. of trenching and 25 or 30 test pits sunk. Veins were stripped for thousands of feet. The recent vein is 10 to 60 ft. wide and the samples sent to Toronto carry high values. There are three different kinds of quartz in one of the big veins on the property, blue, white and pink. One large blue quartz vein gave high values over 30-ft. in width. In addition there is a large 50 to 75-ft. wide galena vein. As soon as a diamond drill is available this property is to be diamond drilled. Meanwhile, M. C. Cowan, head of the company, is going in with an engineer to map out the drill work so that if necessary

(Continued on page 19)

Rich New Coal Field Found in Newfoundland

By Staff Editor.

ST. JOHN, Nfld.—In a report made to the government by telegraph, Dr. H. Baker, the government geologist, announces the discovery of an immensely valuable coal field in the St. Georges District, following his examination of the boring operations being conducted by St. Georges Coal Fields Limited.

He strongly recommends the reserving of the whole of the area, which he considers contains millions of tons of coal.

Dr. Baker describes this as the most important mineral discovery yet made in Newfoundland.

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Canada Had no Hollingers or Sullivans Sixty Years Ago

Reviewing the position of Canadian development, on this the sixtieth birthday of the Dominion, one finds that the industry that is to-day most in the public eye is that of mining.

It is frequently said that 60 years ago there was little idea that the Dominion would develop such a fabulous wealth of mineral products as it owns to-day.

In this connection it might be asked if the surprising developments since Confederation, the great bulk of which have taken place during the present century, will rank in history with those that are to come in the next 25 years.

Many mining authorities contend that Canada's greatest mineral developments are yet to come; that the Granby Copper, Britannia Copper, the famous Sullivan, the Flin Flon, the Creighton, the Frood, the Hollinger, Noranda and others are only forerunners of even bigger mines.

One substantial nickel mine, the Old Victoria, owned by Mond Nickel, and some of the Cobalt silvers, with their 20-acre holdings, have been worked out. These are the only known profitable mines of any consequence that can truthfully be said to be finished.

It is impossible to picture the extent of the deposits of others. Hollinger has created its hundred million in new wealth, and no one can guess how many more hundred millions it treasures. Flin Flon has $220,000,000; Sullivan has something like $600,000,000, and now comes the Frood with 100,000,000 tons of ore that may mill between $40 and $50 per ton.

Not one of these Froods, or Sullivans or Hollingers has yet reached capacity production or the known limits of its ore. Just recently the Sullivan added 1,000 tons daily to its production; Hollinger has been increasing its daily production at that rate each year for the last couple of years.

Sixty years ago the total tonnage of ore treated in the Dominion was not the equal of the tonnage of one Hollinger or one Sullivan.

Drilling Rich Copper Showing in Marriott

Joseph Houston, M.E., consulting engineer on the Ontario-Quebec boundary, has gone into the property to oversee the starting of diamond drilling. The last word out was that the drill had been set up and was ready to start on the first hole.

Marriott is regarded as being a grass-root proposition. About $20,000 has been spent in surface exploration and it is understood that a large ore body, high in copper has been uncovered. The diamond drilling is designed to test out the downward extension of the body and a number of holes will be put down. No details of the surface values have been announced other than the statement that the copper content of the ore is high. The operation to date has been carried on as a private one.

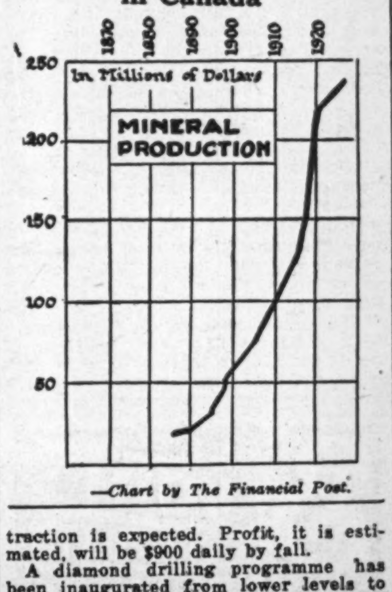
Dunwell Profit Runs Over $500 Daily Now

From Our Own Correspondent.

STEWART—Dunwell's new mill is making a profit of from $500 to $600 daily, according to smelter returns on mill concentrates. The grade of mill ore is averaging $25 a ton. Better extraction is expected. Profit, it is estimated, will be $900 daily by fall.

A diamond drilling programme has been inaugurated from lower levels to determine what course future deep development and exploration will take.

Sixty Years of Progress in Canada



—*Chart by The Financial Post.*

Noranda Organizing Companies on Waite and Alderson-Mackay

Waite-Ackerman-Montgomery Co. to Have Million No Par Shares

200 SHARES PER UNIT

Towagamac Shareholders Are Much Interested in Future Financing of Alderson-MacKay Mine

Noranda will issue new stock at $15 per share. Stock rights at present market worth about 60 cents. Payments in three $5 instalments.

Waite-Ackerman-Montgomery mines organized, capital 2,000,000 shares of no par value. Noranda holds about 80 per cent.

Aldermac Mines to be organized on Alderson-MacKay mine of Towagamac. Noranda controls 65 per cent.

The above announcements by Pres. J. Y. Murdock of Noranda Mines, interest a wide circle of shareholders, those holding Noranda stock, Waite-Montgomery units and Towagmac shares. Until full details are announced the interest of Towagmac shareholders is obscure.

When Towagmac Co. was organized and a 65 per cent. interest in Alderson Mackay mine sold to N. A. Timmins Inc., it was stipulated that a new company would be organized on the property, capitalization to be at least 75 per cent. of the then ore reserves and the Timmins to take 65 per cent. of 50 per cent of the stock, Towagmac 35 per cent. with the other 50 per cent. in the treasury. Mr. Timmins was to take down stock at 25c. for exploration carried out up to $100,000. If further sums were expended Towagmac could take down share for share with Mr. Timmins at 25c. and after the incorporation, now under way, if it is necessary to issue treasury shares for further development, Towagmac Exploration has the privilege of underwriting them.

Towagmac shareholders are then interested in the amount Mr. Timmins has spent, with a view to seeing how many, if any of the 25c. shares of the new company they are entitled to over and above their fixed allotment or interest, also what will Noranda, now holding Mr. Timmins' interest, do in regard financing further operations. If Towagmac's underwriting privilege becomes operative, valuable rights

(Continued on page 18)

Argonaut Shareholders Not Likely to Exercise Rights on 30-Cent Stock

Shareholders of Argonaut Consolidated mines are being offered rights to subscribe for new shares at 30 cents. This would have been attractive a few weeks ago when the new shares would have stood at a premium. During the past week, however, the market sold down to 25 cents and bids fair to stay below 30 until the rights expire on July 20. If this transpires there is little chance of shareholders taking their allotment of 30-cent stock when they can go into the market and buy it as much as 5 cents below that price.

There are to be 1,666,667 new shares issued and a deal has been made for a group of Toronto brokers to take up what shares are left after the shareholders' allotments are taken care of.

DIAMOND DRILL FOR BUSH CONSOLIDATED

Company Will do 20,000-ft of Drilling on Group Adjoining Premier

Vancouver.—A party headed by O. B. Bush, president of Bush Consolidated Mines, has left Vancouver for Portland Canal, to launch a 20,000-ft. diamond drilling campaign on the southern group of the company's holdings. These adjoin Premier and are not far removed from the point where Premier is reported to have recently made the richest discovery in its history.

With Mr. Bush is George Bancroft, manager of Bush Consolidated, and William Irwin, former superintendent of the Premier, and who will take operating control of the Bush as superintendent, and will be in charge of the diamond drilling. He is taking the machine along. Bush Consolidated claims in this section are known to have some rich showings and are in line with the strike of the rich Premier, B.C. Silver, National Silver ore zone. It is to pick up the possible extension of this zone that the drilling is being undertaken.

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Assays of Tin from North of Kirkland Lake are Arousing Interest

History of Metal Dates Away Back, London Engineer Points Out—Present Price is $15.50 Per Ton—Northern Ontario Assays Somewhat Erratic

By T. TREVAILLE WILLIAMS, M.I.M., M.E.

Numerous samples of ore from N. W. Melba, Maisonville and Bernhardt Tps., north of Kirkland Lake, sent to Cornwall, England, for assay have given assays of tin in commercial quantities.

A geological map of the Ontario Department of Mines, now some years old, suggested that the formation in this section was favorable for the finding of tin.

Late last year samples taken by Ontario Gold Veins, Ltd., an English operation in charge of John Ashby, with claims in Bernhardt and Melba Tps., got the first assays. All samples sent to Cornwall showed tin. Samples assayed in Canada and United States did not show tin. However, since then there has been a great staking rush and numerous samples have been assayed. The most recent from the Bridleman property is said to have given $125 values. M. C. Cowan sent samples to Cornwall, Pittsburgh and Cleveland. The latter were blank but the others ran 1 to 4 per cent. tin. The original samples are understood to have assayed 1.03 per cent.

In view of these facts, and because little is known in Canada in regard to tin, the following article by a London engineer now resident in Ontario and who is an authority on the subject will be of value:

Now that tin has been discovered in Northern Ontario, it may be of interest to some people who are not familiar with the metal or with tin mining to learn something regarding that metal. There is little doubt that the bronze vessels, etc., found in the remote period of Thebes, and in other parts of Egypt are in part composed of tin. These Egyptians may have obtained the metal from India or Spain long before the Phoenicians voyaged in the Atlantic. It is stated that in Assyria at the time of the Arcadians tin was freely used.

There are specimens in the tombs of Egypt which consist of an alloy of tin and copper. These specimens date from the second dynasty. When found, they were much corroded; and to a great extent covered with oxychloride and carbonate. Analysis of these specimens gave 57% copper and 2% tin. Another specimen from the tombs of the Pharaohs gives 87% copper, 11.5% tin with a little lead, no arsenic silver or iron was found.

The Greeks appear to have been familiar with tin, for it is mentioned in the Iliad. It was used for the making of shields and armour, and for household purposes.

Cornwall Discovered

There are records which show that about the year 1030 B.C., the Phoenicians discovered Cornwall and Devon, where they discovered tin and other metals which they exported.

Pliny and other ancent writers, describes the commerce which was carried on by the Phoenicians with Britain. This part of Britain was named Cassiterides on account of the tin obtained from there. The Cassiterides is no doubt what is now known as the Scilly Islands. Spain, as well as Cornwall, furnished tin to the Phoenicians. The swords, spear heads, etc., which are occasionally found in the ancient graves of Britons were no doubt brought by the Phoenicians to England.

Aristotle says that the tin mines of Cornwall were worked in his time.

The Phoenecians called tin "stan" hence the stannum of the Romans and likewise from this root the word stanneries which is still in use.

England Held Monoply

Up to the 13th century England held the monopoly of the tin trade, it was about this time that tin was discovered in Bohemia, this discovery greatly reduced the tin trade in England.

Tin was of great value to the Egyptian artificers, it was at a much later period that the use of iron was known amongst these people. Therefore, if tin was of such value to them in their time, we have only to consider its many uses in our day, that it is indispensible to modern civilization.

The price of the metal has been erratic, in the year 1887 the highest price was $838.00 and the lowest $375.00 per long ton.

It reaches its lowest point in 1896 viz. $280.00 The price has gradually risen until today it is $1,550 per ton.

The price now ruling has greatly stimulated mining in Cornwall and in other parts of the world.

The most important in producing countries of the world are:

The Malay Peninsular and adjacent Islands of Banka and Billiton, Cornwall, Australia, Bolivia, Nigeria and Transvaal. Nine-tenths of the tin ore exported from the Malay States is derived from alluvial deposits. The richer alluvial deposits of the Malay Peninsular are worked out, consequently the poorer ones are now being exploited. The Federated Malay States produces annually over half the world's total tin.

Similar to Cornwall

In the State of Pahang, alluvial tin has been found over a large area, but the payable lodes do not extend over an area of more than ten miles. In general, the geology of the district is similar to that of parts of Cornwall. The greatest source of supply is, however, from Perak, a state under British protection. These deposits are alluvial distributed throughout the lower plains. The stanniferous wash is covered with 10 to 20 feet of overburden. The stanniferous gravel at Banka is three feet thick and covered with overburden 30 to 35 feet. Cornwall. Tin has been mined in Cornwall, as before stated, from the time of the Phoenicians, and was for a long time the principal source of supply. The ores in Cornwall are in the Killas (hard shale or slate) or a metamorphic clay slate in line of contact with the granite. The great flat lode runs for many miles along the south side of the granite mass of the noted Carn Brea. The dip of this lode is much flatter about 30 to 50 degrees South, than the average dip of the tin lodes in Cornwall, which is 70 degrees from the horizon, varying also in width, structure and character. There is a leader from 2 to 10 inches wide, which is filled by fragments of chlorite slate cemented by quartz and iron pyrite. The foot wall is composed of a fine grained or compact schorl rock with stringers of quarts and tin ore. Above this, on the hanging wall side, there is a vein of clay, containing a little quartz and iron pyrite. In the footwall section, there is a vein 4 inches wide, below the leader carrying tin stone. Below and above these veins are capels consisting of a compact schorl rock arranged in layers. Below this is the granite. The killas is above the schorl rock on the hanging wall side. The average commercial value of this lode is from 2 to 3½ % cassiterite. There are other veins which run through the granite, but it would take too much space to describe all of them.

Tin in Australia

The tin lodes of Australia are found mostly in the granite. Tasmania however, is noted for its lode mining. These are large stockworks in granite low in tin, some of them not averaging more than 1%. Tasmania, however, has large alluvial deposits. Mount Bischoff is a noted lode mine; this mine is worked in open faces. One face is a semi-circular quarry 800 feet in length, the ore consists of an iron oxide containing about 3% cassiterite. Under this gossan tin and iron occurs. The second face in gossan, shows about the same percentage of tin. The third face is alluvial and averages about 3 to 4%.

In New South Wales tin occurs as stated above, in the granite.

Queensland Deposits

The tin fields of Queensland lie in the mountains and are difficult of access. The tin occurs in the granite and sedimentary rocks. The metal is associated with wolfrum, bismuthine, antimonite, galena, chalcopyrite and some magnetite; these minerals give considerable trouble in the treatment of the ore. The district, however, yields a considerable amount of ore. The average value is about 12 per cent.

In Southern Queensland (Stanope district), the tin is found in alluvial, the lodes found are too poor to pay.

Tin in Bolivia

The tin fields of Bolivia are situated on the Eastern Cordillera of the Andes, they extend for three hundred miles, and are all east of the Great Bolivian Plateau. There are no known deposits in the Western Cordillera. Many of the Bolivian tin ores are associated with silver, and some of the mines produce bismuth as well. Nearly all the Bolivian tin lodes occur in the porphyry or altered andesite, but in some localities the lodes run through slate and trachyte. The veins in the porphyry are the richest, and the tin is of better quality. The most important deposits of tin ore in this country, which are worked exclusively for that metal are in the mountain ranges north east of Oruro; some of these deposits are superficial, only going down to a depth of 6 to 10 feet when the lode becomes poor; but this is by no means the rule, and in the mines at Negro Pabellon and Morocalla rich ore is found at a depth of 500 to 600 ft. As might be expected, the revines leading from the mining centres are all rich in alluvial. Oruro is the most important tin producing district in Bolivia. The lodes are 1 to 4 feet wide averaging 40 to 65% metallic tin. The tin is light in color and very pure.

In Potosi there are not many mines that are worked for tin alone.

Transvaal District

Tin in the Potgietersrust district, northern Transvaal is found in the red granite. It occurs in pipes, these are semi-circular in shape, and surrounded by a thin ring of tourmaline: outside of this ring of tourmaline no trace of tin is found. The pipes often take a zig zag course, often one running into the other. They extend to a depth of 50 to 80 feet, then peter out. The pipes are from a foot to 20 feet in diameter. The ore inside the pipe assays from 45 to 50% metallic tin. The pegmatites in this district yields considerable tin.

Bushveld Tin Fields

The tin here is in lode formation in the red granite Rooiberg district. This district is the most interesting in the Transvaal. There is abundant evidence of these deposits being worked at a very early period, probably not as early as the Cornish mines, but closely to it. The ancients here used iron gads and stone hammers. The old workings did not extend below water level. The old stopes are narrow, not more than eighteen inches wide. Pillars were left at regular intervals, so the workings were well preserved. In this district the tin occurs in the felsite, in lode formation, the vein is 18

(Continued on page 20)

Bryant OIL CO. LTD.
CALGARY, CANADA

NORANDA ORGANIZING COMPANIES ON WAITE AND ALDERSON-MACKAY

(Continued from page 17)

may accrue to Towagmac shareholders.

The Waite-Ackerman-Montgomery Mines, which will succeed the Waite-Montgomery syndicate is not without a wide interest. A certain holding of units in the syndicate was split and sold publicly at prices ranging from $600 to $825. The position of these units has already been somewhat obscure. It is understood that the deal with N. A. Timmins Inc. obligated Mr. Timmins to form a company with a minimum capital of $2,000,000 and the vendors to receive 10 per cent. fully paid shares. It is understood that one-fifth of the vendors interest was split into 200 units and these are the units that were sold publicly. This would work out that a unit represents one two-hundredth of a 2 per cent. interest in the Waite-Ackerman-Montgomery mines or 200 shares, which on the basis of $800 per unit works out at $4 per share. Waite-Montgomery has ore reserves estimated at $11,000,000 or $5.50 per share.

Noranda's new financing allows shareholders of record July 15 to take up one new share at $15, $5 payable Aug. 15, Sept. 15 and Oct. 15., for every 10 shares held. This will net the company about $3,000,000 or just the amount of Noranda's loan from Hollinger Consolidated Gold Mines. The funds are to be used to complete the plant at the mine and provide working capital.

Shareholders can sell their rights.

Noranda's new capital is 2,250,000 shares of no par value. When the new stock rights are taken care of Noranda will have 52,858 shares in the treasury and 2,197,142 issued, which at $22 per share puts a valuation of $48,337,124 on the enterprise.

The last estimate of Noranda's ore reserves was $25,000,000; Waite-Montgomery $11,000,000 and Alderson-MacKay, about $3,000,000, or a total proven reserve of $39,000,000. These figures are to be considered conservative.

MINING STOCK QUOTATIONS

	Par. Val.	Div. Rate	Yield	High for week	Low for week	Close June 27	Sales for week	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
				Week Ending June 27							
Abana				64	60	60	1000			75	20
Aconda				21	16	16½	5700			45	16
Allied M.				3.25	3.20	3.25	1300			5.51	2.70
Al. C. M.				4.13	4.08	4.10	1275			4.13	3.01
Amos										56	15
Amulet	1			2.60	2.33	2.46	386485	2.98	.90	2.89	.85
Algonquin	1			3½	2½	3	33000	6¼	1¼	5¼	2
Apex	1							6	2¼	3½	1
Area	1			53	44½	46	136000	1.55	.21	1.95	.25
Argo, Con.	1			29½	25	25¼	85845	67	18½	59	25
Atlas	1			4¾	4½	4¼	66500	5	1⅛	7	2
Archean				18	17½	17½	110			18	17
Ajax	1									39	6½
Andean				19	19	19	1600			22½	15
Bard				.87	.70	.75	7000			1.59	.50
Baldwin	1			2½	2	2	5000	6½	1	4½	2
Barry Holl.	1			36	31½	32	59650	1.00	.21	1.00	.25
Beaver	1			1.10	1.06	1.07	18600	.99	.81	1.22	.59½
Bellellen L.	1			4	4	4	1000	23½	20	23½	3½
Bidgood	1			14½	12½	13	19900	9⅜	4½	14½	5
Boischatel				7	5½	5½	11700			27	3
Boston Creek	1							7½	2½	1	½
Bourlamaque	1							1.45	1.02	1.53	.50
Buckingham	1			4½	3½	3¼	19500	7¼	2	9½	3¼
Bunker H.				1.00	.97	.97	20			1.00	.75¼
Calartic										1.00	.94
Can. Lorrain	1			19	10	11½	94000	93	.57	72	10
Capitol S.	1			21¼	17	18	23100	48½	24	34	15½
Capitol R.				17	15	15	29000	43	26	54½	12½
Cen. Manitoba	1			1.58	1.50	1.50	20630			1.90	1.07
Castle Tre.	1			90	85	85	23825	1.85	1.9	1.27	.80
Chaput H.	1			8½	8	8	20500	22	3½	13¼	4½
Clifton	1			1½	1¼	1¼	1750	6½	1	3½	1
Col. Kirk.	1			2¼	2	2¼	19000	6½	2	6	2
Coniagas	5			4.00	3.50	3.55	2795	4.85	3.00	4.40	3.20
Coniaurum	5			3.15	3.05	3.15	140	4.60	3.00	3.50	2.80
Cons. Smelter	25	10+5	1.89	235½	227	233	6150	268	177¼	264	227
C. W. Dome	1			7	6	6	25400	29½	14	19	5½
Corona	1			14½	12¼	12¼	23400	37½	20	37	11¼
Copper Hill				57½	56	56¼	30800			57¼	47
Comm. Mines				1.48	1.25	1.30	52470			1.50	.71
Crown Res.	1			14	11	12½	57800	24¼	8	15¼	7
Coast Copper				17.50	17.00	17.50	600			22.00	16.00
Davidson	1							3	1½	3	1
Destor								41	40	43	40
Dorion				3.95	3.90	3.90	400			4.00	3.00
Dome Mines	None	$1	13.33	7.75	6.85	7.50	1106	20.00	8.00	10.85	6.85
Don Rouyn	1			27	23	27	46450	61	28	56½	17½
Duprey	1									10	10
Duprat	1			9½	7½	8¼	139950	35½	8½	34½	7½
Dubec				1.05	1.00	1.02	29575			1.05	.35
Dom. Lead				1.42	1.37	1.38	8510			1.42	1.05
D. Kirk				1½	1½	1½	19000			2½	1½
Dunwell M.										1.51	1.50
Eastern M.										10.30	10.00
Everett	1			2½	2½	2½	1000	12¼	3¼	5½	2¼
Fiske								16	12	30½	5
Fisher, Que.	1									85	50
Goldale	1			24½	22½	22½	13500	43	24	30	20
Gold Hill	1			29½	28	28½	22575	73½	25	54	26
Gold Reef	1			1¼	1¼	1¼	2000	5	1	2½	1
Gifford	1									1¼	1
Gladstone	10									29	26½
Grover Daley	1			12	10	10	54850	32	18	37	9½
Gold Ore				1.14	1.08	1.10	2900			1.14	.90
Harvie Exp.	None			15.00	14.25	14.50	3837			16.10	12.00
Hillcrest	100	6	10.00					65	55	65	60
Hillcrest, pref.	100	7	8.23					83	79½	87	84
Haultain										15	14
Hill Top	1			14½	11	11	29500	31¼	20	24	10
Hollinger	5	26	6.94	19.60	18.70	18.70	12040	21.00	16.75	22.65	18.70
Howey Gold	1			69	63	69	28725			75	42
Huron										1.09	1.02
Indian	1			6	5	6	1600	14½	2¼	11	4
Int. Nickel, c.	$25	$2	3.33	65¼	59¼	59¼	64359	46	32½	75	38
Jay Copper								1.10	.73	1.26	1.04
Keeley	1	24	19.67	1.30	1.22	1.22	4525	1.90	1.89	1.66	1.17
Keora Mines	1			4	3½	3½	5500	22	11	12½	3½
Kirk. Hunt	1			16¼	15½	15½	27000	34	8½	35	14
Kirk. Lake	1			1.47	1.35	1.38	52825	1.44	.69	1.54	.82
Kamisko				9.60	9.05	9.30	600			9.60	7.62
Lake Shore	1	40+10	2.56	19.55	19.20	19.35	3705	16.15	9.50	21.10	15.40
Lakeside L.	1			1¼	1⅛	1⅛	12000	10	1⅛	6	1
Laval	1			25	21½	22¼	57200	45¼	21	55	19½
La Rose	1			6½	6½	6½	4000	39	4	12	6
Lorrain, C.	1			2	1½	2	7000	15	2	3¼	1¼
Lorrain, T.L.	1			.70	.70	.70	100	1.10	.30	.86	.25
Lucky Jim										21	20
Mentor				12.25	12.00	12.25	300			12.25	12.00
McDougall				42	40	41	31700			50	17
Marclay	1							35	30	42	34½
M'tchatell				39	37	38	42700			39	30
Macassa	1			25	21¼	21¼	7800	43	25	37	19½
McKinley	1			16	15½	16	17600	26	8½	18	11
McIntyre	5	20	4.00	25.40	24.75	25.00	3950	29.75	22.70	27.50	24.00
Millcrest	1			6½	5½	5¼	24000	21½	3½	6½	4
Mining Corp.	5	25	8.33	3.35	3.25	3.35	4935	4.45	2.60	3.65	2.90
Moneta	1			10	10	10	41500	18	11	14	8¼
Montreal Rouyn	1			14½	14	14½	14000	60	13	33	10
N. A. Dev.				1.50	1.25	1.25	11750			2.10	1.00
N. A. Lead				2.55	1.40	1.95	12878	1.75	1.50	2.75	1.40
Noranda	None			22.25	20.90	21.50	30348	24.75	12.00	25.00	19.95
Newray	1			28¼	28¼	28¼	1000	45	31	34	28
Night Hawk	1			7	6	6	40500	17	3¼	10½	4½
Nipissing	5	6	5.30	6.50	5.65	5.65	12800	9.25	4.95	10.30	5.35
Ophir	1							4¼	½	4⅜	1
Ontario L.C.				1.23	1.20	1.20	3000			1.23	1.03
Osisko				49	40	40	12400	1.94	1.05	1.75	.40
P. L. Cobalt	1			4	4	4	3000	32	14½	18	3½
Porc. Crown	1			5	4⅜	5	2000	12	4	11	4½
Prec. Metal				20.50	20.00	20.00	220			20.50	20.00
Pioneer	1			91	87	91	5650	1.22	.66	1.18	.85
Premier Gold	1	32	15.50	2.07	2.04	2.06	8200	2.75	1.83	2.30	1.86
Preston	1			4¼	4	4	1500	9⅞	4	6	3
Potter Doal				22	18	20	70500			65	17
Power & Mines				1.50	1.50	1.50	825			1.70	.75
Que. Pros.										6.00	3.95
Rouyn C.										4.28	2.50
Rouyn	1			1	1	1	3000	9	1⅞	5	1
Rouyn, Que.	1			1½	1	1½	2500	4½	1¼	4⅜	1
Ribago	1			38	28	29	167300			87	13
Silver L.										1½	1
Siscoe				20	20	20	2100			25	15
South Keora	1			6½	6½	6½	2500	35½	5	64½	6½
Stadacona	None			24	18	19	81200	51	40	55	15
St. Anthony				28	27¼	27¼	4100			87	10
Sylvanite	1			3.75	3.70	3.75	800			4.30	2.60
Stadamac										38	36
St. L. Zinc				78	76	78	900			78	72
Teck Hughes	1	10	1.33	7.85	7.45	7.50	38090	5.55	2.65	8.10	5.35
Timiskaming	1			5¼	5½	5⅜	3000	15¼	6	7	5
Thomp. Krist	1							3½	1	1	½
Tough Oakes	1			44	36	38½	161850	66	36	62½	36
Towagmac	1			4.50	3.45	4.03	15045	6.10	3.15	5.75	2.85
United Cop.				5.32	5.00	5.18	13865			5.32	3.10
Trojan				4.95	4.70	4.85	850			4.95	4.00
Vic. Silver	1			4	3½	4	13250	96	3⅛	14	3½
Vickers	1			.40	.40	.40	1200	1.22	.13	1.52	.35
Vipond	1			.90	.89	.90	30630	2.02	1.49	1.75	.89
Waite Mont.										8.75	5.95
Wakenda	1							2¼	1	5	2
Wasapika	1			1¼	1¼	1¼	3000	4	1	2	1
West Tree	1							4	2	4	2
Wettlaufer	1							10	2	4¼	2
Wigwam	1							32½	4	4	3
Wright Har. new				5.90	5.50	5.50	32450			6.65	5.50
Vac. Gas				13	12	13	3000			26	3

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KEELEY TO REDUCE OUTPUT AND ALSO CUT ITS DIVIDEND

Will Prolong Life of Property, Shareholders Are Told

Keeley mines will reduce its monthly production of silver from the steady level it has always maintained, around 125,000 ounces monthly, and as a result will cut the distribution to shareholders. The extent of either cut is not yet decided upon but the second will likely be regulated by the first.

The company's proposal was outlined to shareholders by W. H. Stafford, V.P., as follows:

"It is impossible to state at the moment, in exact figures, to which level production will have to be reduced in order to achieve the object in view," he continued, "as this will obviously depend upon the progress of development work and on the quantity of fresh ore which is being opened up. It is obvious that with the lower silver price and a reduced production there will have to follow a reduction of the dividend and bonus, which we have so far been able to maintain at the high rate of 24 cents per annum. In this respect also, it is impossible to-day to make a definite forecast, but I would be failing in my duty if I were not to indicate the probable trend of events."

Dr. Bell told shareholders that the amount of high grade in the mine is lower than formerly. He said that reserves are in a healthy condition but the amount of very high grade ore, as compared with milling material, is unquestionably less than was the case a year ago. It is, thus, considered advisable to reduce the monthly production, in order to conserve the reserves while the development of the ore-bodies in the western part of the property is in progress. He added:

"The extensive shoots indicated in the annual report, found in No. 28 vein in this section, have been followed downward by a winze from the 11th or 820 ft. level to the 12th or 895 ft. level, and are now in progress of exploration at the latter horizon. Milling ore with some high-grade has been found both in the diabase and keewatin rocks in the drift at the level, and in a number of raises which have been extended upwards therefrom for short distances."

Eric Turk, London, representing Huronian Belt Co., pointed out that although development did not entirely keep pace with production, still more than 1,200,000 ounces of new development were obtained from the mine. They regarded the past record of the company as satisfactory. The company has returned to its stockholders in four and a half years, by way of dividends and bonus, the entire capital of two million dollars. In addition it has half of its issued capital invested in first-class securities.

The board of directors were re-elected as follows:—F. H. Hamilton, president; J. Mackintosh Bell, managing director; W. H. Stafford, J. H. Black, R. T. Shillington, J. W. Bain and Eric Turk.

ESTIMATE 500 TO 600 AT WORK IN WOMAN NARROW LAKE SECTION

(Continued from page 17)

it can be done in the late fall or winter.

This property is north and east of the Woman Lake Goldfields Development, over which the extension of the vein from the famous Henry Bros. property has been picked up. Henry Bros. group is under option to N. A. Timmins Inc. Woman Red Lake group is in an interesting position here and its sponsors say that it is in line to get the continuation of the No. 1 from Henry Bros. This proposition has been financed as a syndicate from New York and new funds have been arranged to drive ahead on the opening up of the group.

Ontario Woman Lake is negotiating for the development of Medicine Rock, likely by diamond drill. This rock, practically solid sulphides carrying good gold values, sticks up out of the lake. At high water the exposed surface is about 150 by 40-ft. and it stands up about four feet out of the water. This property adjoins the western claims of the Jackson Manion under option to N. A. Timmins and on which an extension of time was recently sought. It is expected that the extension will be granted if it has not already been done.

The new find on Henry Bros. group is described as 100 to 200-ft. wide, traced across 5 claims for 1¼ miles. It parallels a number of other claims. Woman Lake Goldfields is controlled by a syndicate headed by J. A. Dixon, Toronto, and in the south part of its property, the extension of the Henry vein has been traced for half a mile.

T. H. (Bert) Rea, who engineered the Bathurst deal and is vice-president of the operating company, is reported on his way out from Narrow Lake. There is much work going on in the section, particularly on the Bathurst, Price Logan and Leonard Narrow Lake. It is said that the Bathurst may take in a diamond drill by aeroplane.

OLD NUGGET AND PROVIDENCE MINES ARE BEING REVIVED

New York Interests Take Up Old Producers in British Columbia

From Our Own Correspondent.

VANCOUVER.—Two old mines, the Providence, near Greenwood, and the Nugget, in the rich area of the Kootenay made famous by the Queen, Kootenay Belle and Motherlode properties, are to be reopened and operated.

Shareholders of the Selkirks Mining Co., Vancouver, are notified that an option has been granted on 15 acres of their company's holdings, including the Nugget and the Motherlode groups. Portland interests, backed by New York principals, are credited with having procured the option. The amount involved is $165,000.

The Nugget, which has a 100-ton mill, and the Motherlode are said to offer, together, easily-mined ore which should net about $160,000. Cost of renovating the properties for operation, however, would be in the vicinity of $50,000. The Nugget has not worked since 1920. It has produced gold ore to the value of about $1,000,000. Providence Mine, from which millions in silver-lead ore have been shipped by former owners and leasers, is to have another chance after a long period of idleness, and will ship ore again to the Trail smelter this year.

It has been turned over to James Wilson and F. Loomis, of Burke, Idaho, who will pump it out and put a crew to work at once reconditioning the camp and mining for shipment.

CANADIAN LORRAIN WILL CONSERVE ORE FOR A BETTER PRICE

Low Silver Value and Milling Ore Makes Venture Unprofitable One

Canadian Lorrain silver mine, South Lorrain, will close down. Dr. J. Mackintosh Bell in making this recommendation, makes the point that a comprehensive development scheme is necessary for the mine and that the low price of silver combined with the fact that the ore is milling grade and not high grade, makes such an operation impracticable at the present. He suggests that they wait, leave the stopes intact as they are to-day and wait more favorable conditions.

Dr. Bell shows that from Mar. 31 of this year the company had an operating loss of $8,082 and took out $43,647 in silver. For three months to Feb. 28 of this year, the report shows an operating loss of $22,699. The figures from the report and the supplementary statement combined are as follows:

	3 months to Feb. 28	Mar. 1 to May 31
Revenue	$22,934	$43,647
Expenditure	52,633	51,729
Loss	22,699	8,082

Loss to date, $30,781.

The company found that its available funds were not sufficient to finance operations and has been borrowing from Huronian Belt Co. On June 1 this indebtedness stood at $102,084.

Current assets are shown at $44,338. There was an operating loss of $22,699 for the three months ending February 28. Net pre-operating expenditure until the completion of the mill on Nov. 31, 1926, amounted to $363,547.

The report of the board of directors states that the construction of the mill was authorized in the spring of 1926, when the price of silver was about 67 cents per ounce. A severe drop occurred in the latter part of the year, and there has been practically no recovery, with the price now standing at around 56 cents.

Shareholders were told at the annual meeting that operations can be resumed on short notice.

Dr. Bell's supplementary statement follows:

"As a result of an examination begun toward the end of April," states Mr. Bell, "it was decided to cease stoping operations, both extraction and withdrawal of broken ore, and to run the mill on dump rock, mine work being limited to exploration. This exploration had not, up to the present, resulted in any important discoveries. It is felt, however, that there remain many good chances for finding new ore bodies in various parts of the property, but the search for these must be considered as part of a systematic scheme of exploration extending probably over many months.

"The reserves of the Canadian Lorrain consist mainly not of high-grade ore, but of milling material, carrying from 20 to 30 ounces. Owing to the nature of its occurrence in highly sheared zones, this material is susceptible to dilution by waste rock in the process of mining, and at the present price of silver cannot be removed at a profit, if at the same time the necessary development is continued. Therefore, since at the moment a scheme of comprehensive development is impracticable, it would seem to be advisable to close down the mine while the stopes are intact and in good condition as regards available ore, and to await more favorable silver conditions. When this time arrives the property can be reopened with ore immediately available for the mill, and the revenue derived from its treatment should be, at least, partly devoted to exploration."

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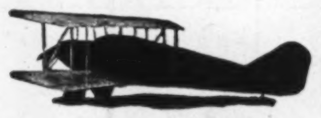

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The following are some recent orders for Marcy Open-End Rod Mills in Canada:

Primary grinding in the new Teck-Hughes milling plant will be done by a 4 x 10 Marcy Rod Mill.

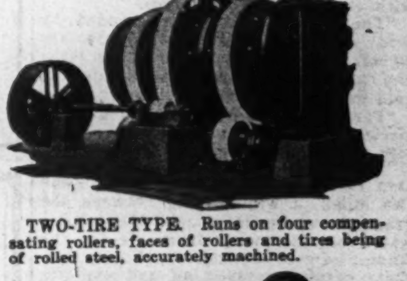
A 4 x 8 foot Marcy Rod Mill will grind to 10 mesh for concentration upon Wilfley Tables in the new Canadian-Lorrain plant.

The Sylvanite Gold Mines, Limited, have purchased a 5 x 10 Marcy Rod Mill for grinding ahead of tube mills.

Hollinger Consolidated Gold Mines have added three 7 x 15 foot mills, thus bringing their total of Marcy Rod Mills up to eight.

Rod grinding with Marcy Mills is being demonstrated all over the Dominion as efficient and economical.

MARCY ROD MILLS ARE MADE IN SEVERAL TYPES AND MANY SIZES



TWO-TIRE TYPE. Runs on four compensating rollers, faces of rollers and tires being of rolled steel, accurately machined.

TWO-TRUNNION TYPE. The barrel is supported on two trunnion bearings having removable babbitt bushings. This type built up to 5 ft. in diameter.

MARCY BALL MILLS
MARCY ROD MILLS
WILFLEY TABLES
WILFLEY PUMPS
FALK GEARS
TELSMITH CRUSHERS

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ELK LAKE SECTION MAY GIVE ONTARIO A NEW GOLD CAMP

Pioneer Effort Has Been Going on for Year—Looks Attractive

Heather Lake Gold Mining Co., a new organization with 3,000 acres of ground in Southern Tudhope Tp., at Elk Lake, promises to bring into prominence another gold camp in Ontario, and one that has been only known heretofore as a silver section. In fact, a great deal of silver exploration has been done in Tudhope.

The company has a combined holding of 3,000 acres. It is capitalized at $300,000. For over a year George Tough and associates have been working in the area and one of the early efforts was to have the geology mapped.

This map is found attached.

The people of Elk Lake and the country lying to the southeast of Elk Lake, who for many years have courageously faced forest fire and setback because of their faith in the mining future of the district, now are coming to the realization that their reward may take the form of another gold camp added to Ontario's mineral production.

Stretched over this period of twelve months there has been a quiet but businesslike stirring along the boundary line between Tudhope and Bryce townships, where high favorable gold-bearing formation exists. This activity commenced last June when the first party went in to make thorough surface examinations. It was found that practically no prospecting or surface work had been done in the area for many years and that the last two or three forest fires, disastrous as they proved to the surrounding country, had greatly improved conditions for prospecting. Work has been proceeding ever since.

The district in which work was carried on this summer under the direction of mining men identified with the early development of Kirkland Lake and other fields, is within three miles of the Elk Lake Branch of the T.&.-N.O. and close to the fine main Elk Lake highway. On recent maps, for the sake of convenience. the district is called "The Heather Lake Gold Area." The name was given because of the small lake near the scene of operations around which the plant known as Canadian heather is abundant.

Following the surface campaign Robert R. Brown, M.E. who has specialized for many years on the geology of the producing mines at Porcupine and Kirkland Lake was engaged to prepare a geological report on the district to detail the formation shown in the government reports of some years ago. Mr. Brown has just completed his report and sketch map of the geology and refers to the ideal conditions existing for the development of gold ores. His report and map appear herewith:

Bryce-Tudhope Area

"I visited this area in company with George Tough who has a small party doing pioneer prospecting and exploration work on a large acreage adjacent to the township line that divides Bryce and Tudhope Townships, and is embraced in the second, third and fourth concessions.

"My visit was made for the purpose of making a study of the geological and structural conditions, and to report on the possibilities for gold ore bodies of dimensions that would prove profitable in a mining operation.

"The conclusions of my examinations are: that there are favorable geological, structural and mineralization indications for gold ore bodies of commercial grade and dimensions.

"In dealing with the geology, I found that there is a large area or dome of acid rocks comprising porphyries, porphyritic andesites, diabases, lamprophyres and altered agglomerates that could be classified.

"The area to the immediate south of this acid dome is of Temiskaming conglomerates that do not show folding, but are slightly tilted, and are found dipping under the overlying arkose and Nipissing diabase that are exposed on the southern half of the second concessions of both townships. From observation, it would appear that these Temiskaming conglomerates will not extend to any great depth, and will prove shallow.

"On the margin of the acid area I find a belt of basic rocks, namely, pillow lavas and old basalts that are highly favorable for gold deposition, and in which have been found correct structure with commercial gold values.

"These basic rocks are intruded by acid intrusions which no doubt are closely associated with the large mass and are probably responsible for the gold deposition found.

"Paralleling the basic belt in a semicircle to the west, is found a large granite mass that extends for miles.

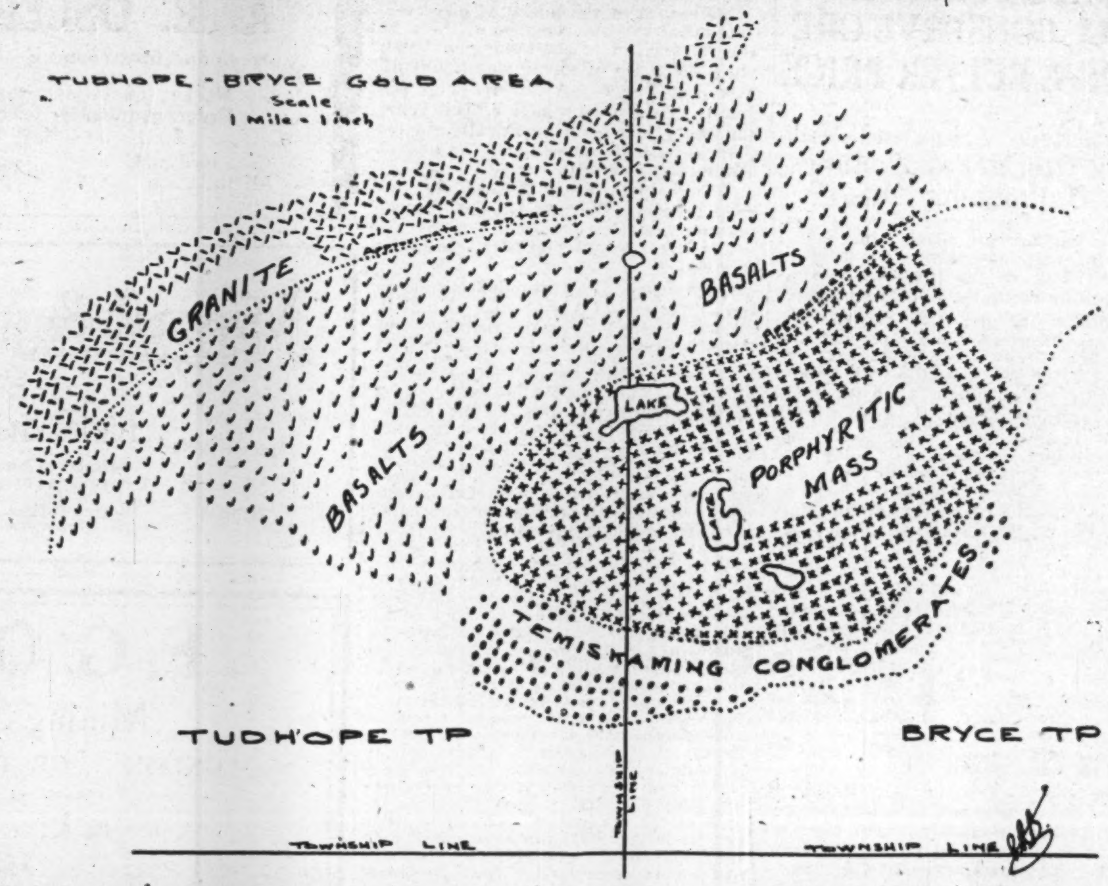
"This condition in the Bryce-Tudhope area leaves a belt of basic rocks some two miles in width, lying between the granites and the large acid dome that I would consider most favorable for the finding of gold ore bodies and fully warrants careful prospecting and exploration work. The local conditions would indicate that the basic rocks will extend under the Temiskaming sediments.

"The veins of the neighborhood noticed were composed principally of quartz and schist and were found to be mineralized chiefly with iron pyrites and carrying gold values. Some of these veins were found to be true fault veins and were noticed in the acid rocks within a reasonable distance of the basics, the structure had been altered to a basic nature that would render it favorable for precipitation.

"I have prepared a small scale sketch map outlining various properties in this area and have shown the approximate contacts of the granite, basalts, and acid mass."

Sutcliffe Company Ltd.
CONSULTING ENGINEERS
and
ONTARIO LAND SURVEYORS
NEW LISKEARD, ONTARIO

Prospective New Gold Area Near Elk Lake, Northern Ontario



VERY LARGE AND IMPORTANT MINE IN SUDBURY BASIN

First Official Announcement on Bunker Hill Subsidiary Operation to the Point

"The Errington venture promises to develop into a very large and important mine."

This is the summing up of Pres. F. W. Bradley, of Treadwell-Yukon and Bunker Hill Sullivan Cos. of the development in the zinc-lead-copper area of the Sudbury basin.

It is the first official statement made and is very definite in the statement that "a very large and important mine" has been proven.

The figures in the annual report of Treadwell Yukon estimate the value of the ore at $18.30 per ton, 3.18 oz silver, 1.35 per cent. lead, 2.66 per cent. copper, 6.03 per cent zinc and .048 oz. gold. It is safe to assume that the company in accepting quantity figures were as conservative as in accepting prices to make a value calculation, and on that assumption one is convinced that $18.30 is an ultra-conservative valuation as the table the company uses and present prices compare as follows:

	Content	Cos.	Value	Present Mkt.	Val.
Lead	1.35	4c. lb.	1.08	6½	1.76
Zinc	6.03	6c. lb.	7.23	6¼	7.53
Copper	2.66	14c. lb.	7.42	13	6.89
Silver	3.18	50c. lb.	1.59	56¾	1.82
Gold	.048	..	.96	..	.96
			$18.28		$18.96

The difference works out at about 65 cents per ton, which is material on a sizeable tonnage figured on a year's run.

The company first diamond drilled 48,806-ft. of holes and got the above figures. Now they are doing underground work and cut ore on the 300-ft. horizon, 20-ft. wide and assaying $15.82 per ton. Other assays ran $11.86, $22.13, $27.75.

A pilot mill is now being planned to follow up laboratory tests of the ore.

Of ranking importance is the announcement that Treadwell-Yukon shares are to be listed in Toronto.

Preferred shares, 6 per cent. participating, par value $100, are to be offered by the company to finance the Sudbury development.

The Yukon Treadwell shares to be listed will be taken from the treasuries of Bunker-Hill and subsidiaries.

The preferred shares will be offered to the common shareholders as funds are needed.

Lebel Lode Will Again Operate Its Property

Lebel Lode mines, Lebel Tp., Kirkland Lake, plans to explore a section of the property to the north of where the former diamond drilling operations were carried out. Some surface prospecting will be done first and then a diamond drill hole will be put down to a depth of about 700 feet. It is understood that a diabase intrusion has been discovered in the section to be explored, coming into the Kirkland series south of the Keewatin contact. Considerable diamond drilling has already been completed on the Lebel Lake and late last year some thought was being given toward the establishment of a development plant and sinking of a shaft.

NEW MINING HOUSE

D. A. Sherriff and W. J. Marshall have formed a partnership, under the name of Sherriff, Marshall and Co., with offices at 304 Excelsior Life Building, Toronto. The new firm will specialize in Canadian mining stocks. Both men are well known in local brokerage circles.

ASSAYS OF TIN FROM NORTH OF KIRKLAND LAKE AROUSE INTEREST

(Continued from page 18)

inches wide assaying 20 to 30% metallic tin.

Found in Granite

Fifteen miles east of Rooiberg the tin occurs in granite, the ore being a mixture of red iron oxide and tin containing about 20% of the latter metal. Ancient workings were also discovered in this district; one excavation, the opening of which was carefully concealed by a big granite boulder, was found by exploration to measure 100 feet in diameter by 50 feet high. These people smelted the ore on the spot, and so good was their work that not a bead of metallic tin could be found in their slag.

Nigeria. Tin in Nigeria is found in alluvial deposits and river beds, no lode mining has yet been done.

It will be seen by the above that tin is found chiefly in gneiss and granite rocks or rocks accompanying them, and is associated with apatite zinnwaldite, topaz, tourmaline, fluorspar together with quartz, wolframite, axanite, scheelite, beryl, etc.

Canada's Chances

The fluorine minerals led Daubrée to believe that the "contents of these cavities and veins are due to the action of gaseous compounds of fluorine and boron," Daubée also showed that cassiterite can be artificially produced by the action of steam on the vapour of chlorine or fluoride of tin, moreover the granite is sometimes altered into greisen, a mixture of quartz and mica with topaz, cassiterite tourmaline and fluor."

By what has already been said, it will be seen that tin is fairly well distributed throughout the world. What the Canadian finds will turn out has yet to be proved, but there seems to be no reason why tin should not be found in some part of this great Dominion in commercial quantity. No other metal has yet been discovered which can take the place of tin in the arts.

Properties of Tin

Touching the physical properties of tin I need say but little as this will be of little interest to the prospector. A few points, however, may be mentioned. Tin when pure is white to slightly bluish white, its lustre is similar to silver. It is one of the lightest minerals, and its density is not affected by hammering. The pure metal has a S.P.G. of 7.29 and when rolled 7.30. Tin is very malleable occupying fourth in rank; at a great heat it becomes brittle and crumbles when struck with a hammer. When a bar of tin is bent, it emits a peculiar cracking sound, which is called its "cry." the more pure it is, the more distinct its cry. Its melting point is 230 C. The usual impurities in commercial tin are: arsenic, sulphur, iron, antimony, lead, bismuth, copper, tungsten and molybdenum. Iron, if present, hardens the metal. Arsenic bismuth and antimony reduces its tenacity. Copper makes it hard but increases its strength, rendering it less malleable. Lead increases its malleability but reduces its toughness. Tungsten and molybdenum makes it less fusible, while sulphur makes it short.

A Ready Alloy

Tin forms alloys readily with nearly all other metals, many of these alloys are used in the arts.

The atomic weight of tin is 119. It is little affected by the atmosphere at ordinary temperatures even in the presence of moisture, it is by virtue of these properties much used in the form of tinned plate for utensils. Tin occurs in two forms, cassiterite SNO2 and Stannite Cu4SnS4. The determination of tin in the rude ore by the dry method is not satisfactory or accurate. The dry assay, however, shows pretty closely what the smelter can get out of the ore. The dry assay may be said to yield from 2 to 4% less than the tin in the ore, found by the wet method.

Henry J. Stewart
Mining Engineer
Exploration and Mining Programs
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Send for Map
Showing developments Narrow Lake, also details concerning syndication group of eighteen forty-acre claims upon which spectacular surface showings have already been discovered.
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Noranda Amulet
Two Quebec Stocks prominent In day-to-day Trading—
The current issue of the Market Despatch, in addition to a map of the Quebec area, contains a very interesting treatise on these two companies.
We believe the activity in these shares will dominate the market for the next few weeks.
Investors in mining shares should send for a copy of this issue. Free on request.
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Second Article in a New Series on the Finances of Our National Railways.

Had to Build C.N.R. Out of Five Bankrupt Lines

By RIELLE THOMSON.

The chief basis of discussion regarding the Canadian National centres on its financial position. But any thought on the financial position must have as a basis a conception of the component companies which now comprise the C. N. R.—at least a conception of the state of these five railways at the time the Government first started to acquire and to mould into one the Grand Trunk, Canadian Northern, Transcontinental, Grand Trunk Pacific and the Intercolonial railways.

The government began to operate the National Transcontinental in 1915; in 1917 the three privately owned roads were acquired, and in 1919 the Intercolonial was included in the picture. It is well to remember that these roads were only taken over following a period in which the Federal treasury had been tapped frequently to assist—aye, and even to keep alive—these five bankrupt organizations.

Of course, the National Transcontinental and the Intercolonial were not bankrupt; they were both roads, though, which could not meet even their operating expenses and were in reality in a worse plight than the privately owned railways.

Position at That Time

In order to present a proper picture of the C. N. R., it would be well to recall briefly the lamentable position into which the component railways had sunk before they were taken over—or to state it more truthfully—before the government had to take them over.

The National Transcontinental was built by the Federal government to connect Winnipeg and Moncton. It was originally intended to lease this road to the Grand Trunk Pacific and thus to provide that road with a link to the Atlantic seaboard and to the lines of the Grand Trunk in the east. The rental which the Grand Trunk Pacific was to pay for the Transcontinental was based on the construction costs of the road. These were originally estimated at $61,415,000, but actually amounted to $156,823,000.

Because the Transcontinental cost so much, the Grand Trunk Pacific objected to carrying out its contract with the government. The rent would have been too high. In 1915, the government of the day, accepted the company's refusal, began to operate the National Transcontinental and thus tacitly acknowledged the claims of the Grand Trunk, the parent company.

Dominion Was to Blame

Thus the Transcontinental began and continued as a government undertaking and the responsibility for its inception and construction rests squarely on the people of Canada.

The Grand Trunk Pacific began life as a privately-owned enterprise. All the common shares were owned by the Grand Trunk Railway. In 1916 the interest charges of the G. T. P. amounted to close on $9,000,000; the net income during the year was only slightly in excess of $800,000. Thus at the close of 1916 the G.T.P. was on the point of receivership.

Some of the liabilities of the G. T. P. were, however, guaranteed by the parent company. The Grand Trunk in 1916 had a liability of some $5,000,000 in interest to meet on the bonds of its subsidiary. This contingent liability of the Grand Trunk by 1923 would have risen to over $7,000,000 through certain undertakings and guarantees entered into by the parent company. At the beginning of 1917 the Grand Trunk Railway notified the Government that it could not even meet its own fixed charges.

Amalgamation Was Needed

While part of the responsibility of the Grand Trunk Pacific error undoubtedly lay at the doors of the management of the Grand Trunk Railway, yet the Government of the Dominion aided and abetted the whole project by liberal land and money grants and by guaranteeing issues of securities. Probably the blame for the whole debacle can be laid at the doors of the Federal Government, and, had it insisted on the amalgamation of the Grand Trunk, which served eastern Canada, with the Canadian Northern, which originally served only the West, there would never have been any Grand Trunk Pacific fiasco with which to deal in 1917. Governmental largesse was the one fundamental factor which allowed the construction of that ill-fated road. The involved position of the Grand Trunk Pacific at this time naturally brings up the position of the parent company.

At the close of 1915, the president of the Grand Trunk Railway wrote the Prime Minister that his company could not meet its obligations on the Grand Trunk Pacific. These obligations consisted of the repayment of $25,000,000 in short term notes. The Grand Trunk was in such a position at that time that it could not issue new bonds to refund the short term notes.

Paid Out Dividends

Within a few weeks after the letter to the Prime Minister acknowledging that the G. T. R. could not meet its financial obligations, the Grand Trunk had the audacity to pay out to its shareholders the sum of $2,500,000 in dividends. Moreover, the Grand Trunk Railway had never been adequately maintained and no depreciation fund for equipment had been created. The road was in wretched shape in every way, and from its revenue in previous years the sum of at least $30,000,000 should have been set aside to provide for renewals. This figure of $30,000,000 was one upon which many experts agreed. It should have been accumulated, or ploughed back into the property, during the preceding ten year period. This was not done, but the long-distance management of the company saw fit to pay to its shareholders in dividends during the same ten year period the sum of no less than $36,000,000. The obligations of the road itself, not to mention the obligations which it had incurred on behalf of the Grand Trunk Pacific, were placing the G.T.R. gently but firmly into the outstretched arms of the waiting receiver. Had the G. T. R. not had the obligations of its subsidiary to meet, the ill effect of its long distance management, which was located in London, England, would very shortly have placed the parent company in the hands of the receiver in any event. The Canadian officials of the railway, though, were competent men; they were handicapped by the directorate in London.

No Large Land Grants

The Grand Trunk Railway itself never received the large grants which were given to other railways, including its own subsidiary, and the shareholders in the road never received a real return on their investment. Nevertheless, the record of the management in paying dividends during many years when all authorities were agreed that earnings should have gone back into the property and into depreciation account indicates clearly the capabilities of the management.

The blame of the unsatisfactory position of the Grand Trunk seems to rest only on its management, first of all for operating the road in an unbusinesslike way, and secondly, for becoming involved in the G. T. P. millstone instead of arriving at an agreement with the C.N.R. Had the G. T. R. amalgamated with the C.N.R. the Dominion would to-day have had but two transcontinental lines instead of three.

Canadian Northern's Position

And now regarding position of Canadian Northern just prior to its acquisition by the government. For the fiscal year ending June 30, 1917, the Canadian Northern and its affiliated companies would have been unable to meet bond interest requirements. For the 1916 year the company showed only a small deficit, but the report did not disclose the fact that more than $5,400,000 which was paid out in interest was charged to capital as part of the construction cost of the still uncompleted system. Like the other roads, the Canadian Northern system was on the point of dropping into the arms of the receiver at the close of 1916. There seemed no possibility—and in fact there would have been no possibility—of the railway earning its interest requirements during the next ten years.

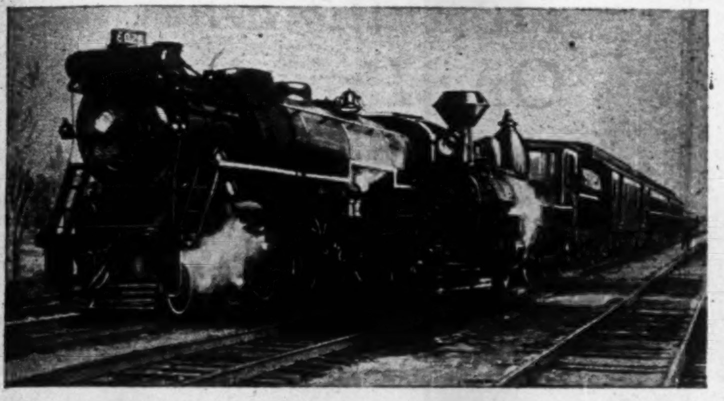
The Intercolonial's Position

Between 1889 and 1916, during which time the greatest advance took place in Canada, and the traffic on Canadian railways showed its greatest increase, the Intercolonial Railway paid no taxes and still did not even earn operating expenses. During this period the total operating deficit reported amounted to $11,188,885. The total operating surpluses amounted to only $1,651,239. Between 1912 and 1916 an amount of $3,046,406 was charged to working expenses, which under other accounting methods, might perhaps have been credited to surplus. Thus, in the 28 years between 1889 and 1916 there was an accumulated deficit on the operations of that road of $6,491,232.

But this is not all. Down to the year 1908 no charges were made against revenue for necessary renewals and replacements. When plant is added to and improved, it may be right to charge such cost to capital account, but charging to capital the cost of renewals and replacements cannot be justified. Therefore, it can be seen, that like the other four roads, as far as earnings were concerned, the Intercolonial Railway was in as unsatisfactory, if not a more unsatisfactory position, than the other components of the present Canadian National system.

Thus, one fundamental in the present situation surrounding the Canadian National Railways is established, namely, that the present system is the result of an amalgamation of five roads, three of which at the time they were acquired could not even earn their bond interest. The other two roads, being already Government-owned, had no bond interest to meet—but on an earning power basis they were in an even worse position than the privately-owned undertakings. All in all the Canadian National had anything but a favorable inception, and considering this its progress to date has been remarkable.

Making a Railroad Out of Bankrupt Lines



This picture is most timely in this week of celebration of Canadian Confederation for it typifies the old and the new in Canadian railroading. One of the early locomotives used on the Grand Trunk Railway and a modern 6,000 type of Canadian National Railways locomotive are shown.

The contrast between the two engines is similar to the contrast between the various small and financially unstable railway lines out of which Sir Henry Thornton has to had to build the world's largest single railway system.

NEW ISSUE

CHARLES GURD & CO. LIMITED

(DOMINION CHARTER)

$500,000 7% Cumulative Preferred Stock (Par Value $100)
22,250 shares Common Stock (No Par Value)

The Cumulative Preferred shares will be fully paid and non-assessable, preferred as to assets and dividends, entitled to cumulative preferential cash dividends at the rate of seven percent per annum payable quarterly. Redeemable as a whole or in part at the option of the Company at any time on thirty days' notice at 110% of par and accrued dividend. The Preferred shares carry equal voting rights share and share alike with the Common.

Transfer Agents: Montreal Trust Company
Registrar: Canadian Trust Company
Bankers: The Royal Bank of Canada

CAPITALIZATION
(Upon completion of this issue)

	Authorized	Issued
7% Cumulative Preferred Stock $100. (Par Value)	$500,000	$500,000
Common Stock (No Par Value)	30,000 shares	22,250 shares
Mortgage Loan 5%		$300,000

From the within letter of Mr. Chas. Gurd, President of Charles Gurd & Co. Limited, and from the auditors' statements, we summarize as follows:—

BUSINESS AND PROPERTY

Charles Gurd & Co., Limited, incorporated under Dominion Charter, is one of the largest manufacturers in the Dominion of Canada of carbonated beverages, including Gurd's Aromatic Ginger Ale, Gurd's Dry Ginger Ale, Gurd's Ginger Beer, Gurd's Apple Flavored Nectar, etc., etc.

The business was originally established on a small scale on May 1st, 1868, and has reached its present position largely through the reinvestment of accumulated earnings. The success of the business may be attributed in large measure to certain principles laid down at its inception which have since been strictly adhered to, viz.: 1st—Strict integrity with the public; 2nd—The use of only the best ingredients obtainable in the markets of the world; 3rd—Polite and attentive service; 4th—A belief in the responsiveness of the average Canadian to quality production.

The various ingredients, such as ginger, fruit flavorings, etc., entering into the manufacturing of these beverages are purchased in the markets of the world and are the best procurable in every instance. All containers, such as bottles, boxes, etc., are purchased in Canada from Canadian manufacturers. The business is conducted largely on a cash basis and the accounts are carefully selected, losses from bad debts averaging less than ½ of 1% per annum.

The Company owns the land and buildings comprising the greater portion of the city block bounded on the East by Bleury Street and on the North by Lagauchetiere Street, and all facilities necessary for carrying on the business are located in this block. The administration building facing on Bleury Street is of concrete construction and fireproof throughout. The Company also owns mineral water springs in Caledonia Townships.

EARNINGS

Average earnings for the past four years, as certified by the Company's auditors, Messrs. Ritchie, Brown & Co., after making adjustments for non-recurring salaries and expenses and calculating income tax at the present rate, were $137,895.77, which, after deducting interest on $300,000 Mortgage at 5%, is equal to 24½% on the Preferred Stock and $3.94 per share on the No Par Value Common Stock.

Earnings on the above basis for the twelve months ending December 31st, 1926, after calculating income tax, were $162,187.40, which, after deducting interest on mortgage, is equal to 29.4% on the Preferred Stock and $5.04 per share on the No Par Value Common stock.

SALES AND EXPANSION

The principal business of the Company is in the Province of Quebec and the other Eastern Provinces of Canada. Sales have shown a steady increase year by year for the past five years, and while the first five months of 1927 have shown substantial monthly increases over the same months of last year, the business is capable of still further expansion both in Canada and abroad.

It should be emphasized that the business has been built up largely on merit and not through extensive advertising compaigns or a highly specialized sales force, and in Mr. Gurd's opinion the business has reached the stage where it will lend itself to substantial expansion.

MEDALS

Medals and awards given Gurd's products comprise 3 Gold Medals, 3 Silver Medals, 6 Bronze Medals and 21 Diplomas, including the highest class award given at the World's Columbian Exhibition, Chicago, 1893; World's Fair, Paris, France, 1900; Central Canada Exhibition, Ottawa, 1889; Province of Quebec Provincial Exhibition, Montreal, 1881.

MANAGEMENT

The management will be largely in the hands of those who have been responsible for the success of the Company in the past. Messrs. Walter Gurd and Alex. McA. Murphy will continue as executives and Mr. Charles Gurd will continue as President and will act in an advisory capacity.

We offer the above shares when, as, and if issued and received by us subject to the approval of all legal details by Messrs. Brown, Montgomery & McMichael, Montreal.

Price: $107 per unit of { 1 share Preferred Stock / ½ share Common Stock

Plus accrued dividend on Preferred
(Dividend on Preferred Stock will accrue from July 1st, 1927)
or

$28 per share of Common Stock

at which price fractional Common Shares will be adjusted

IT IS THE INTENTION OF THE DIRECTORS TO PLACE THE COMMON STOCK ON A QUARTERLY DIVIDEND BASIS IMMEDIATELY OF 50c PER SHARE OR $2.00 PER ANNUM.

Interim certificates are expected to be ready for delivery on or about July 1st.

Application will be made in due course for listing the Preferred and Common shares of the Company on the Montreal Stock Exchange.

J. M. Robinson & Sons — **Johnston and Ward**
Bruneau & Rainville — **H. B. Robinson & Co. Ltd.**

The statements contained in this circular are not guaranteed by us but are based on information which we believe reliable and on which we acted in purchasing these securities.

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Insurance for Buyer and Seller

V. E. GRAY PRESENTS CASE FOR PRIVATE WORK INSURANCE

Suggests That Quebec Let Manufacturers Choose Own Policy

By V. EVAN GRAY,
Canadian Casualty Underwriters' Association. Address at Annual Meeting of Insurance Brokers' Association of Quebec.

Workmen's compensation insurance forms a very important part of the premium income of insurance companies and brokers in Quebec. If a monopolistic government plan of insurance is established by the legislature, both insurance companies and brokers will be deprived of an important field of insurance service and enterprise. Brokers and companies have a common interest in presenting to the people of Quebec a fair statement of the reasons why they should be allowed to continue to offer their services to the public in this field and why the legislature should not establish a government plan of insurance administration.

The question is a real issue in Quebec to-day. Following long consideration, a new Quebec Workmen's Compensation Act was enacted in 1926 to become effective April 1, 1927. Just prior to the effective date, this act was suspended. The announcement was made that the matter required further consideration and that the government would investigate the merits of a plan of government insurance. In the meantime, admirers of the Ontario plan of insurance have been pressing it on the public and government attention for adoption in Quebec. Representatives of special interests are asking for a similar administration. Almost unnoticed by many whose interests are vitally affected, the political strength of the movement for state insurance has been growing. The issue is a real one in the minds of the government and legislature of Quebec. It will be definitely decided in the coming months of 1927.

Competition vs. Monopoly

There are certain general principles applicable to all kinds of business in the province which ought to be clearly stated in their application to workmen's compensation insurance. They are as follows:

1. The best safeguard of public interest in business lies in free competition.
2. Government operation of business is not as efficient or economical as private enterprise.
3. Unnecessary government interference in the industrial relationships of employers and employees is detrimental to the interests of both parties and of industry.

Consider, then, more particularly, the case of workmen's compensation insurance.

Government operation of workmen's compensation insurance business is the same in principle as government operation of any other private business. Government operation of the bread-making industry is as easily justified as is government operation of workmen's compensation insurance. Suppose the government decided to save money for the public by undertaking to bake and distribute all the bread in the province. They might establish community bakeries serving district divisions. They could buy supplies in huge quantities under advantageous contracts; they could reduce costs by standardizing machinery, processes and quality of product; they would reduce overhead costs by requiring only

(Continued on page 24)

COLUMBIA LIFE MAY ENTER U.S. TERRITORY

New British Columbia Insurance Company Plans Early Starting of Business

From Our Own Correspondent.

VANCOUVER.—Granting of a charter by act of parliament to the Columbia Life Assurance Company foreruns the establishment again of a life insurance company, having its headquarters in Vancouver and in British Columbia, its special field of activity. No such company has existed since the British Columbia Life, in no way related to the new enterprise, sold out to the Sun Life at the outbreak of war.

The British Columbia Life had no provisions in its contract to deal with deaths due to warfare, and the directors, alarmed by the possibilities of such a situation, beat a strategic retreat without losses.

Provincial Officers of Company

The new company is headed by A. E. Munn, a member of the British Columbia legislature and a Vancouver business man. W. C. Brown, K.C., is treasurer, and Frederick W. B. Law, general manager and secretary.

Other provisional directors are: Frederick J. Lumsden, Jesse G. Anderson, Edgar A. Jamieson, Ernest A. Cleveland, William E. Jenkins and Dr. D. M. Lineham.

The company is capitalized at $1,000,000, divided into 10,000 shares of $100 par. The first issue of 1,000 shares is being made at $125.

It is the hope of the company eventually to write a considerable amount of business in the United States territory adjacent to Vancouver. Experience of other Canadian life insurance companies is that the thoughtful citizen of the United States appreciates the numerous restrictions imposed by the Federal government upon the investments of chartered life insurance companies for the safety of policyholders.

The Columbia Life, says Mr. Law, will invest in British Columbia government and municipal securities and in first mortgages on British Columbia property.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

Crown Life Pays 20% Cash Bonus

Shareholders of the Crown Life Insurance Co., received a nice little bonus distribution about two weeks ago, in the form of a 20 per cent. cash dividend. This dividend is in addition to the regular 8 per cent. dividend which the company pays on its capital stock.

The dividend is payable on the paid-up value of each share of capital stock, the total amount of which amounts in all to $104,312. This paid-up capital represents only about 20 per cent. of the total subscribed capital of the company, the stock outstanding being paid-up for various amounts. The current price of the company's stock is about 180 bid and none offered. Very little trading takes place in the stock, which is all closely held.

London Life Writes Big Wheat Pool Policy

To the London Life Insurance Co. goes the credit for one of the largest single insurance deals ever consummated in western Canada. The occasion was the group life insurance policy on the lives of the employees of the Saskatchewan Wheat Pool and subsidiary companies, written by H. W. Ellerton, of the London Life.

The policy covers the employees of the Saskatchewan Co-operative Wheat Producers, Limited, which is the parent company, and the two subsidiaries, Saskatchewan Pool Elevators, Limited, and Saskatchewan Pool Terminals, Limited. The head offices of all three companies are situated at Regina, while the employees are located at points throughout Saskatchewan and at Winnipeg, Fort William and Port Arthur. The lives covered consist of those of all employees, including office staffs, elevator agents, grain buyers, etc. The policy as originally written covered 1,017 lives, and the total amount of insurance was $966,000.

Under the terms of the contract, male employees may take $1,000 and female employees $500 of insurance. The premium payments are arranged on a contributory basis, the employees' payments of 60 cents per month per $1,000 being deducted from salaries. The balance of the premium is assumed by the Wheat Pool.

The employer is trustee for the beneficiary named by the employee. There has been one claim for $1,000 already, the claim being paid before the individual applications had reached the head office of the London Life. n

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ACTUARIES FROM MANY COUNTRIES SPEAK IN LONDON

World Congress Opens With Large Attendance of Life Men

By ARTHUR PEDOE, F.I.A.,
Actuary, The Continental Life Insurance Co., Toronto. Seventh Article, Special to The Financial Post.

LONDON.—The World Actuarial Congress, which is being held in England this week, will probably be unique in its influence on the life insurance business of the world.

No less than 99 members from 17 different countries have contributed papers for discussion. The papers are being issued in eight booklets each printed in English, French and German, dealing with the seven prescribed subjects and one on miscellaneous subjects. A paper submitted in any one of the three languages mentioned is printed in full in that language, and a summary is given in the other two. Thus a delegate is able to appreciate every contribution irrespective of the language in which it is submitted. Most of the papers and even those from foreign delegates have been submitted in English and thus delegates from the English speaking countries are in a singularly fortunate position to derive the utmost benefit from the Congress.

Important developments in life insurance have been taking place in several European countries and these developments are being made known to the actuaries of the English speaking countries for the first time in fifteen years.

Credit to Canada and U. S.

In the publicity that has been given to the Congress by the English press, due credit is given to the United States and Canada for the developments of group insurance and disability benefits for which they are responsible and which have been referred to in these articles. The statement in this regard, issued by the press committee of the Congress, says in part:

"Two of the most interesting subjects for discussion at the forthcoming congress are group life insurance and disability benefits attached to life policies. This class of assurance (group) has reached extraordinary proportions in the United States and Canada. Though not unknown in the United Kingdom and on the continent of Europe, group life assurance has assumed there nothing like the same proportions as in America, but it is possible that what America does to-day, Europe will do to-morrow. As with group life assurance, America has taken the lead also in disability insurance. . . . ."

Praise Canadian Companies

In England one meets on every side appreciation of the great developments in

(Continued on page 23)

8% to 154%
This is the average market increase including dividends per annum of 37 sound Insurance company shares for the last 10 years. If you are interested in safe, high-yielding investments, protected by rigid Government supervision we will forward full information. Write today.
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Good insurance salesmen can always find a place with our growing organization. Write for full particulars.
Head Office: London, Ontario.

Announcement
Employers Indemnity Corporation
OF KANSAS CITY, MISSOURI, U.S.A.
announces that it has received license to operate in the Dominion of Canada, as an insurer and reinsurer of Employers' Liability and Compensation risks.
MR. A. E. DAWSON
Federal Building, Toronto, has been appointed Chief Agent for Canada.
The Company offers reinsurances and excess insurances in the above mentioned lines, and respectfully solicits proposals from Canadian Companies. Either Mr. Dawson or our Home Office may be addressed.
E. G. TRIMBLE,
President
Assets $3,715,000. Surplus to Policyholders, $1,050,000.

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TRUE STORIES ABOUT LIFE INSURANCE
By a Mutual Life Representative
He Paid Only One Premium
"IT is a good business with you at the head of it but what will happen to it when you are no longer there?"
He couldn't answer that question and took out a $25,000 policy in the Mutual Life of Canada and a $100 monthly income policy, both in favor of his wife. Eight months later he contracted pneumonia and died. His business no longer pays dividends, and without his directing hand, is fast dwindling away.
Over and over, my experience as a Mutual Life Representative has proven to me that there is no guarantee of the permanence of business income. In Life Insurance there is a guarantee.
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Current Events in Banking World

SEES CHEQUE AS ONE OF WORLD'S SEVEN WONDERS

Writer Tells History of This Important Instrument in Finance

By LEONARD F. GREGORY*.

The cheque may fairly be ranked as one of the seven wonders of the modern world. Though physically merely a small piece of paper bearing a modest number of words and figures, it is to-day of great economic importance. Without it and the bill of exchange—a very near kinsman—together with the bank note—a more distant relation—the great trading nations of the present time would be almost inconceivable. And there are some who hold that it is to the more enlightened manipulation of the cheque—or the funds upon which it is drawn—that these nations must largely look for the blunting of the extreme movements of the trade cycle.

Banking in the Roman Age

In what circumstances, then, was the cheque invented; where is it most widely used; and what is its probable future? It appears that the seeds of modern banking were sown in Rome. The bill of exchange in particular is the direct result of the Roman conquests. The comedies of Plautus, written 200 years before Christ, contain references to cheques and banking generally, and there are many allusions to bills of exchange in Cicero's letters. But these Roman banking instruments were—at least in their earlier stages—subject to certain limitations as compared with their modern counterparts.

An Early British Practice

In tracing the evolution of the cheque of to-day we must turn to the history of English banking, and especially of London banking. Though it is not possible to attribute the cheque to the genius who invented it, there is high authority for saying that it is essentially a London invention. The cheque is primarily the product of the goldsmiths. Not a great deal is known regarding the goldsmiths, but the antiquity of their craft is indicated by the fact that there is proof of the incorporation of the Goldsmiths Co. of London, in 1392. The profession, however, did not assume notable importance until the reign of Queen Elizabeth (1558-1603).

In the uneasy days of the seventeenth century the goldsmiths were bound to make a special study of the safe custody of their valuable assets and were ready to offer their services to customers who had either cash or other valuables, which they wished to be kept in greater safety than their own houses could afford. Accordingly there arose a custom of depositing surplus cash with the goldsmiths, and this was repaid at a future date. It was evident that cash thus deposited could be re-lent at interest, so long as it could be recalled by the time payment was required; and at length it was seen to be worth the goldsmiths' while to offer a moderate rate of interest on money deposited with them for a fixed time, relending at a higher rate for a fixed period.

In the light of experience, however, it was found safe to reckon upon a certain proportion of the deposits being left in practical permanence—at least while business was running smoothly; it could therefore be lent out at interest regardless of conditions as to the fixing of the period for which deposits were made; in other words, money could be taken on deposit and repayable on demand, while a certain proportion could still be lent for short periods with safety. Thus there came into being the "current account," withdrawable on demand.

The First Bank Note

According to an eminent banking historian, it was about the year 1645 that the goldsmiths first began to act as bankers. In the days of Charles II they frequently charged as much as 20 per cent. and 30 per cent. for advances, and never appear to have allowed more than 6 per cent. on deposits. The goldsmiths, in return for deposits whether of coin or plate, issued notes and receipts payable on demand. These notes were eventually made assignable and freely passed from hand to hand, so that they constitute the earliest form of English bank note. A person wishing to withdraw money would draw a note or draft payable to his own or someone else's order; and it is here that we have the origin of the cheque. Some of the goldsmiths, indeed, issued documents very like the present-day cheque.

The Oldest Cheque

In W. F. Spalding's "The London Money Market," there is reproduced what is believed to be the oldest cheque in England. It is dated the 14th August, 1675, and is for £9. 13. 6. It was issued by Thomas Ffowles, one of the best-known goldsmiths of the reign of Charles II. His name appears in the "Little London Directory" of 1677 as one of the 37 "goldsmiths that kept running cashes."

Through the courtesy of Ernest Sykes, B.A., of the Institute of Bankers, we are able to reproduce this cheque. Unlike modern cheques, it bears the name of no bank, it has no stamp upon it, and there is no counterfoil. The wording of this ancient cheque is as follows:

Mr. Thomas ffowles.

I desire you to pay unto Mr. Samuel Howard or order upon receipt hereof the sume of nine pounds thirteene shillings and sixe pence and place it to the account of

Yr. servant,
EDMUND WARCUPP.

14 Augt 1675.

For Mr. Thomas ffowles, Gouldsmith at his shop betweene the two Temple gates, Fleetestreete.

On the back appears the following:

Recd. in full of this bill the sume of nine pounds thirteen shillings six-pence.
SAML. HOWARD.

In view of its age—it dates from 1675—the cheque is in a very good state of preservation, though part of the edge of the plain white paper of which it consitss is jagged. The ink, which was originally black, has faded to a somewhat drab tint, but the writing is perfectly legible. Thomas Ffowles, the drawee, was one of the best-known goldsmiths who lived in the time of Charles II, and carried on business under the sign of the Black Lion. He was Sheriff of London in 1686.

The first printed cheque was not issued until 1762, and the credit for this is claimed by the house of Child, of London, which is still in existence. Nor is this by any means its only claim to fame. Inheriting a goldsmith's "shop" dating from 1559, Sir Francis Child, who gave his name to the house; was the first banker who was banker only, the father of the banking profession. The books of the firm may still be seen and show that until 1690 Sir Francis combined the business of goldsmith with that of banker; thereafter his books are similar to those of the modern banker. Incidentally, this house is also credited with the introduction, in 1729, of the first printed promissory note. Cheque books came into use in 1770.

Cheque-Paying Banks

To-day, taking all the countries of the world, it is probable that the cheque is most widely used in England. This is especially due to what have been aptly described as the "cheque-paying banks"—or more exactly, the joint stock banks. The legislature first permitted these in the earlier years of the nineteenth century, the first to be established in London being the London and Westminster Bank, in 1834. Despite numerous difficulties and setbacks, the joint stock banks have throughout the past hundred years immensely extended their business and gradually absorbed the great majority of the old private banks—frequently the descendants of the goldsmiths. The result is that at present five of their number control about 80 per cent. of the banking resources of England and Wales, their deposits on Dec. 31 last, totaling £1,572,000,000. The largest of these, the Midland Bank, is, in point of deposits, the largest bank in the world, its deposits on the above-mentioned date being £368,000,000.

Predominates in Money Circulation

As for figures relating to the place of the cheque in England's monetary economy, it has been authoritatively estimated that the cheque forms more than 90 per cent. of the total currency. The statistics of the London Bankers Clearing House are indeed astronomical. Thus last year's turnover amounted to £39,825,054,000; the turnover of the "record" year (1925) reached £40,437,119,000. The "record" day's turnover up to the end of that year (April 30, 1925) was £263,255,000; the average daily number of documents passing through all the London clearings is about 550,000.

A leading English banker has summarized the merits of the cheque thus: "It has created a perfect currency which expands and contracts to meet day-by-day requirements. It transfers money with the utmost rapidity and security. It ensures the greatest economy for the centralization of our gold reserve in the Bank of England." In short, it seems probable that the cheque will be the most perfect form of currency known to mankind for many years to come.

*In Barron's, New York.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	June 24, 1926	June 23, 1927
Halifax	$2,626,094	$2,731,328
St. John	2,821,246	2,386,404
Moncton	916,000	870,965
Sherbrooke	694,318	821,438
Quebec	4,583,706	6,915,524
Montreal	99,504,995	116,316,505
Ottawa	6,937,066	7,393,000
Kingston	787,147	998,122
Peterboro'	886,997	836,267
Toronto	97,844,002	122,981,414
Hamilton	5,576,801	6,244,599
Brantford	1,140,726	1,264,827
London	3,138,926	3,582,823
Chatham	530,157	761,652
Kitchener	899,757	1,196,055
Sarnia	668,694	847,030
Windsor	....	5,343,711

Western Cities

	June 24, 1926	June 23, 1927
Fort William	$1,114,319	$1,078,164
Winnipeg	46,120,647	37,576,631
Brandon	607,960	606,376
Regina	3,789,425	5,017,501
Moose Jaw	1,277,776	1,211,163
Saskatoon	1,910,885	1,961,317
Prince Albert	339,736	missing
Lethbridge	418,961	529,458
Calgary	6,798,669	7,738,879
Edmonton	4,394,461	4,582,332
Medicine Hat	279,763	316,614
New Westminster	822,791	831,024
Vancouver	17,040,014	18,274,372
Victoria	2,202,618	2,337,879

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PAID UP CAPITAL AND RESERVE $1,259,430.36

The Imperial Canadian Trust Co.

Executor, Administrator, Assignee, Trustee, Etc.

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WHOSE PORTRAITS SHOULD WE PUT ON OUR BANK NOTES?

Now Put Officers' Pictures To Discourage Counterfeiting?

Why do the banks put portraits of their presidents and general managers on their bank notes?

The chief reason, according to the explanation offered by the general manager of one bank, is that it helps to avoid counterfeiting. A portrait is very difficult to copy; certainly more difficult to copy than mere ornamentations. (This presumes that the portraits on the Canadian bank notes are not ornamental which is hardly a fair statement).

The first bank to use portraits on its notes displayed the faces of its original officers. Later it was decided to let the dead past bury its dead and to run live people on the notes. Most of the other banks followed suit.

Canadians have not adopted the habit of using, in either Dominion or bank notes, portraits of distinguished public persons who have contributed to the upbuilding of the country. The new issue of Confederation stamps with pictures of Macdonald, Laurier and the Fathers of Confederation, may presage Dominion bank notes with our forefathers' pictures on them.

In this connection it is interesting to note that there is some discussion across the line about this question. In answering the question "Whose picture should go on the paper money?" the American Bankers' Association Journal says:

"First consideration should be given to the portraits already appearing, impersonal pictures like that of the Indian chief, the woodsman, the buffalo, should go. They are not so easy to fasten on the mind of the user of money as a portrait of a known individual. Then there are such pictures as that of Michael Hillegas on the ten-dollar yellowback. To be sure he was the first treasurer of the United States, but few people ever heard of him. There have been more famous men who might take his place."

The United States Bureau of Engraving and Printing is now producing 39 models of money. "That number should be reduced to seven," says the A.B.A. "The cost of production on big runs of fewer models would be less. Four or five millions a year could be saved at the money factory.

"It begins to appear that the best known faces are those of presidents. As a general rule the presidents have been the history makers of the nation. With but seven portraits to select it would probably be wisest to use all presidents. It would help the public to remember the pictures to begin with the fact that they are all presidents." It suggests Washington for the one-dollar denomination; Lincoln for the five; Jefferson for the ten; Grant for the twenty; Cleveland for the fifty; Roosevelt for the hundred and Wilson for the thousand.

The viewpoint of Canadian bank managers would be interesting. What do you think of the practice of printing bank officers' portraits in bank notes? Would you prefer to see other portraits on our bank notes and Dominion notes? And, if so, whose portrait would you select?

Western Investments

Those who have investments in British Columbia, with which they are not familiar, may write to us for independent reports or valuations.

Our organization covers every section of the province.

Pemberton & Son
Vancouver Limited
418 HOWE STREET
Vancouver, Canada

Staff Gossip

John G. Fraser, manager of the East End, St. Thomas, branch of the Dominion Bank, has received the appointment of manager of the Bloor and Runnymede branch at Toronto. Mr. Fraser's successor at St. Thomas is A. E. Brown, of Kitchener.

* * *

J. S. Turner was elected chairman of the western sub-division of the Canadian Bankers Association at the meeting held at Winnipeg. Mr. Turner succeeds Jackson Dodds, western general manager of the Bank of Montreal.—Tribune, Winnipeg.

* * *

Mayne D. Hamilton, superintendent of Pacific Coast branches of the Canadian Bank of Commerce, has returned from a trip up the west coast of Vancouver Island, where he was accompanied by P. B. Fowler, manager of the Victoria branch of that bank.—Province, Vancouver.

* * *

Imperial Bank of Canada announces the following changes:

A. W. Perry, formerly accountant, Ottawa branch, has been appointed accountant, Vancouver, B. C.

F. L. O'Brien, formerly assistant accountant, Ottawa branch, has been promoted to the accountant's post there.

G. S. Ball, formerly accountant, Welland branch, is now attached to the relief staff.

A. S. Foote, formerly assistant accountant, Welland branch, is now acting accountant.

G. C. Rundle, formerly attached to Toronto branch, has been appointed assistant accountant, Welland branch.

E. M. Wilson, formerly assistant accountant, Windsor branch, is now relieving managers in Northern Ontario.

Toronto Opens Branch

The Bank of Toronto has opened a branch at Chelmsford, Ont., under the management of J. E. Long, formerly of Montreal branch.

The Chartered Institute of Secretaries
of Joint Stock Companies and other Public Bodies
Founded 1891. Royal Charter, 1902.
Patron—HIS MAJESTY THE KING
Examinations—
JUNE and DECEMBER
Full particulars on application to the Secretary:
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Phone: ELgin 1057 HUdson 7542J

ACTUARIES FROM MANY COUNTRIES SPEAK IN LONDON

(Continued from page 22)

life insurance in Canada and the activities of the Canadian life insurance companies in England have caused serious thought even in the most conservative life insurance circles in England.

The article of this series in The Financial Post of May 6, dealing with the selling of life insurance in Canada and the public attitude toward life insurance has been reproduced in full in "The Post Magazine and Insurance Monitor," the oldest insurance paper in the world and the leading insurance journal in England. The article is thus given prominence at a time when most life insurance executives in England are ready to learn all they can about life insurance developments in Canada and the United States.

The following list includes the papers that have already been submitted (in English) on the three topics: industrial insurance, group insurance, and disability benefits.

Industrial Insurance—

1. Industrial Insurance in Denmark: Aage Hostrup (Denmark).
2. Some recent developments in Industrial Insurance in Great Britain: Kelham & Levy (G.B.)
3. Recent developments in Industrial Assurance, with special reference to valuation of liabilites: Kenchington (G.B.)
4. Industrial Insurance in Japan: Fujisawa (Japan).
5. Recent developments in Industrial Insurance in Norway: Christensen (Norway).
6. Recent Developments in Industrial Insurance: Hagestrom (Sweden).
7. Death Rates among lives insured under Industrial Policies: John K. Gore.

Group Insurance:

(i) Group Life Assurance: Raisin (Great Britain).
(ii) Group Life Assurance: Culley (Great Britain).
(iii) Group Insurance: Andresen (Norway).
(iv) Collective Pensions and Group Insurance: Monrad (Norway).
(v) Group Life Insurance in the United States: Commack (U.S.A.)
(vi) The Development of Group Insurance Graham (U.SA.)

Disability Benefits—

(i) Disability benefits under Ordinary Life Assurance Plans: Hansen (Denmark).
(ii) Disability benefits in Life Insurance Contracts in Finland: Hintikka (Finland).
(iii) Disability Benefits in Life Insurance Contracts: Raynes (Great Britain).
(iv) Disability Benefits in Life Assurance Contracts: Robertson (Great Britain).
(v) Disability Benefits in Life Assurance Contracts: Smolensky (Italy).
(vi) Disability Benefits in Life Assurance Contracts; Lange-Nielsen (Norway).
(vii) Disability Benefits under Life Insur- Contracts: Mattsson (Sweden).
(vii) Disability Benefits under Life Insurance Contracts in the United States and Canada: Arthur Hunter (U.S.A.)

Donnacona Adds to Plant

MONTREAL.—The Donnacona Paper Company has appointed A. J. F. Montabone as consulting engineer in charge of its new 8,000 horsepower hydro-electric development on the Jacques Cartier River. When completed, the project will increase by over 50 per cent. the amount of electric energy developed by the company and will take care of the plant's increasing production.

GROWTH

THE volume of assets under the care of this Corporation has grown during the past fifteen years as follows:

1910	$41,601,297
1915	$71,869,470
1920	$113,762,324
1925	$152,791,520
and in 1926	$159,812,664

These figures are evidence of the growing confidence of the public in this Corporation, and that its services as Executor, Trustee, Administrator, Financial Agent, &c., are being appreciated by an ever-widening circle of satisfied clients.

The TORONTO GENERAL TRUSTS CORPORATION
"Canada's Oldest Trust Company"—Established 1882

W. G. WATSON, General Manager. H. M. FORBES, Asst. General Manager.

Toronto Montreal Ottawa Winnipeg Saskatoon Vancouver

LAKE OF THE WOODS MILLING CO. LTD.
Makers of FIVE ROSES FLOUR
Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
CAPACITY, 20,000 BARRELS DAILY
President and Managing Director: FRANK S. MEIGHEN, C.M.G.
Vice-President & Gen'l. Manager: WM. W. HUTCHISON.
Directors:
R.M. BALLANTYNE, TANCREDE BIENVENU, HON.SIR LOMER GOUIN, K.C.M.G.
GEO. V. HASTINGS, WALTER MOLSON, R. W. REFORD, ABNER KINGMAN,
J. K. L. ROSS; N. J. BREEN.
Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of TWELVE PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable SATURDAY, THE SECOND DAY OF JULY next, to Shareholders of record at the close of business on the Fifteenth day of June.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, May 18th, 1927.

Pacific-Burt Company, Limited

Statement of Profit and Loss and Surplus

YEAR ENDING MARCH 31ST, 1927.

Profit on Operations for Year before providing for Depreciation, etc.			$194,849.01
Deduct:			
Provision for Depreciation of Plants		$ 62,181.42	
Written off Patents		12,552.44	
Contribution under By-law No. 9 toward Stock Purchases by Employees		1,619.50	
			76,353.36
Net Profits for Year before providing for Federal Taxes			$118,495.65
Deduct Dividends Paid:			
On Preference Stock—at the rate of 7% per annum		$ 48,644.89	
On Common Stock—at the rate of 6% per annum		39,252.00	
			87,896.89
Balance of Profits			$ 30,598.76
Surplus brought forward at 1st April, 192(		$218,808.28	
Less:			
Federal Taxes paid on previous year's earnings	$17,192.94		
Provision for Federal Taxes for Year ended March 31st, 1927	16,500.00		
		33,692.94	
			185,115.34
Surplus Carried Forward			$215,714.10

Statement of Assets and Liabilities—March 31st, 1927

ASSETS

CAPITAL ASSETS:			
Real Estate and Buildings		$146,541.78	
Real Estate Purchased during year and Factory Building under construction (Balance of Contracts, payable as work is completed, $28,582.24).		86,115.65	
Plant, Machinery and Equipment		796,866.11	
			$1,029,523.54
Goodwill and Patents			841,314.91
Unused Cash Balance in Hands of Trustee for Sinking Fund			87.95
CURRENT ASSETS:			
Merchandise		$312,219.62	
Accounts and Bills Receivable (after providing for Bad and Doubtful Debts)		377,917.83	
Investments		1,001.00	
Cash at Banks and on Hand		[illegible]09,273.83	
			800,412.28
Prepaid Expense			29,591.75
			$2,700,930.43

LIABILITIES

CAPITAL STOCK:			
7% Cumulative Convertible Preference Stock—Issued: 9,372 shares of a par value of $100.00 each		$937,200.00	
Subscribed and partly paid:			
86 shares of a par value of $100.00 each	$8,600.00		
Less—Unpaid subscriptions	5,275.00		
		3,325.00	
		940,525.00	
Common Stock—Issued: 6,542 shares of a par value of $100.00 each		654,200.00	
			$1,594,725.00
First Mortgage 6½% Sinking Fund Bonds due 1937:			
Authorized		$500,000.00	
Issued		$350,000.00	
Less—Redeemed and Cancelled		54,000.00	
			296,000.00
CURRENT LIABILITIES:			
Accounts Payable		$106,665.72	
Bond Interest payable April 1st, 1927		9,620.00	
Dividend on Preference Stock payable April 1st, 1927		16,007.25	
Dividend on Common Stock payable April 1st, 1927		9,813.00	
Reserve for Federal Taxes		16,500.00	
			158,625.97
Reserve for Depreciation			435,865.36
Surplus			215,714.10
			$2,700,930.43

Auditors Certificate

We have audited the accounts of Pacific-Burt Company, Limited, for the year ending March 31st, 1927, and we certify that the above Balance Sheet is in accordance with the books, and, in our opinion, correctly states the position of the Company. We have received all the information and the explanations we have required.

PRICE, WATERHOUSE AND CO., Chartered Accountants.

Directors:—S. J. Moore, A. E. Ames, E. G. Baker, H. P. Brown, C. W. Colby, James Ryrie, F. N. Burt, S. J. Moore Jr., W. N. McLeod. Officers:—S. J. Moore, President; A. E. Ames and E. G. Baker, Vice-Presidents; W. N. McLeod, Secretary; T. S. Duncanson, Assistant Secretary; H. P. Brown, General Manager; R. P. Templeton, General Manager Southern California Division.

V. E. GRAY PRESENTS CASE FOR PRIVATE WORK INSURANCE

(Continued from page 22)

one managerial staff and Board of Directors; great economies could be effected by adopting a cash and carry system under which every householder came daily to the distributing depot to secure his supply of bread, instead of allowing a multiplicity of delivery organizations travelling the same routes. A loaf of bread which now costs twelve cents could probably be produced under such a system for four cents or less.

But is that a sufficient reason for establishing a government monopoly of bread-making? Thousands of citizens would be deprived of their means of livelihood and the general public encouraged to rely upon government provision instead of their own initiative. There is no better reason why the government should provide workmen's compensation insurance for employees than there is why the government should supply bread for the province. Saving in cost is not sufficient.

Manufacturers Choose Companies

Where private insurers have an opportunity to compete with a state operated workmen's compensation fund, the choice of the insuring employer is overwhelmingly in favor of private insurers. In New York state, four alternative forms of insurance are permitted in free competition, namely, a government operated fund, joint stock casualty insurance companies, mutual insurance companies and self-insurance. According to the latest official figures available, in the year 1925, the New York state fund wrote less than 8 per cent. of the business which was insured in the first three of these plans. Over a ten-year period, the New York state fund wrote less than 9 per cent. of the insurance in New York state. This is the fact, notwithstanding a lower cost under the state fund plan when compared with stock casualty insurance companies' charges of approximately 27 per cent. of the premium. The reason for this extraordinary result is that 92 per cent. of the employers of New York state find it more desirable and profitable to secure private insurance at higher cost than to buy state fund protection at lower cost.

In Maryland, the state fund writes 16 per cent. of the business and private insurers 84 per cent. In Michigan, the state fund writes 5 per cent. of the business and the private insurers 95 per cent. In Pennsylvania, the state fund writes 20 per cent. of the business and the private insurers 80 per cent.

Elements in Cost

The cost of workmen's compensation insurance as reflected in the premium rate is made up of two elements: First—the claim cost; that is, the amount of money actually paid to injured workmen and to their dependents, and, second—the expense cost; that is to say, the cost of administering the system of insurance. The first of these elements is determined by the benefits or scale of benefits provided by the Compensation act. The legislature fixes this. Assuming that both systems of insurance are administered in strict accord with the act, the claims' cost under either system should be the same. The relative cost of the two systems, therefore, depends upon the respective administration costs thereof.

It is claimed that government operated plans of workmen's compensation insurance show a lower administration cost ratio than private insurance carriers. This does not mean, however, that private insurance is not the most economical. The difference in cost is accounted for by the difference in the insurance service which is rendered by the private insurance carriers.

Employers' Options

Under a competitive system, employers have the option of stock company insurance or mutual insurance or self-insurance. The expense of mutual insurance is usually lower than stock company insurance. The expense of state fund insurance is usually lower than mutual insurance. Expense of self-insurance is lower than government insurance. All these differences in expense result from differences in the quantity and quality of the service offered by the various types of organizations. The only reasonable way to determine which is most economical of these various types of service is through the test of experience in competition.

Joint stock casualty insurance companies' methods of conducting workmen's compensation insurance justify themselves when in competition with other classes of service. All that insurance companies seek is the opportunity to offer their services to those employers and industries which desire to purchase it. They have no wish to compel the public or individuals to buy this service if they do not desire to have it or to pay for it. The logical businesslike solution of the problem of workmen's compensation administration is to allow all the various types of insurance service to find their own place in a free market. Monopolistic state insurance is a denial of this privilege, not only to insurance companies, but to all employers who may seek to avail themselves of this service. A competitive plan is the only logical and complete answer to demands for better or cheaper service.

Report Issued by N.S. Apple Marketing Committee

From Our Own Correspondent.

MONTREAL.—The report of the Apple Marketing Enquiry Committee appointed by the government of Nova Scotia has been published. The committee has gone exhaustively into the position of the apple industry of Nova Scotia and has made the following recommendations to the government:

That cheap money be made available to the apple growers.

That the co-operation of the fruit growers should be further encouraged.

That certain trade marks and brands be refused registration.

That the Fruit Act be more rigidly enforced, thus insuring the packing of a high quality product only.

That a plan of shipping point inspection be adopted.

That a general advertising campaign of Nova Scotia apples be undertaken.

That an agricultural expansion service be inaugurated to ensure the better handling of fruits from tree to warehouse.

That experiments be continued to determine the best warehousing conditions.

That the home market should be more largely developed, and that exhibitions should be encouraged.

PROVINCIAL EXPANDS

MONTREAL.—The Provincial Paper Mills is to build a two-story and basement addition to its Thorold mill. The construction will be carried out in brick and reinforced concrete; it is now under way. The size of the addition is 65 by 72 feet.

Dominion Steel Corporation Limited

Directors Report for the Year Ending 31st December, 1926, to be Presented at the Annual Meeting on 4th July, 1927

Your Directors submit herewith the Consolidated Balance Sheet and Profit and Loss Account of the Corporation and its Constituent and Subsidiary Companies, excepting the Dominion Iron and Steel Company Limited, now being administered by the National Trust Company Limited as Receiver and Manager, the Common Stock and Income Bonds of which are shown as Investments.

These have been certified by the Auditors of the Corporation, Messrs. Price, Waterhouse & Company, subject to the observation that no provision has been made for depreciation in the value of the securities of the Dominion Iron & Steel Company held by the Corporation.

This Balance Sheet indicates that the holdings of your Corporation in Companies other than the Dominion Iron & Steel Co. have a very substantial value. The combined net cost of the various properties after deducting nearly 30 per cent. for Depreciation and Depletion is $33,410,933. These properties are charged with obligations in the form of bonds and debentures amounting to $7,583,000 or less than 23 per cent. of their net value as it appears on the books of the Companies.

Current and Working Assets to the amount of nearly $5,500,000 are held against Current Liabilities amounting to about $1,300,000. There is, however, an adverse balance of accounts with associated companies which will require approximately $3,500,000 to liquidate. There is also the contingent liability with respect to the Corporation's guarantee of the Currency Bonds of Dominion Iron & Steel Co. Against these the Corporation holds the Income Bond of Dominion Iron & Steel Company Limited $3,500,000 and all its Common Stock in addition to over $2,000,000 Second Preferred and Common Stock of the British Empire Steel Corporation.

The Dominion Coal Company whose indebtedness to Dominion Iron & Steel Company is the largest item in the liability to associated companies has at its disposal $5,000,000 of its First Refunding Bonds and is in a position to liquidate its indebtedness without difficulty.

The Profit and Loss Account shows that the Combined Profits from Operations amounted to $3,251,937.44 and after providing for Depreciation and Interest the net profit for the year was $1,938,404.01.

For purposes of comparison with the statements presented at the last Annual Meeting of the Corporation your Directors also submit a Consolidated Balance Sheet and Profit and Loss Account in which are incorporated the Balance Sheet and Profit and Loss Account of the Dominion Iron & Steel Company Limited, which have been filed in Court by the Receiver and Manager.

The net cost of properties remains practically unchanged, the additions having been almost exactly offset by the amounts reserved for Depreciation, Exhaustion of Minerals, etc.

The position with respect to Current and Working Assets, has been materially improved, the total of these items having increased $1,456,555. In this connection it may be noted that cash on hand and in banks has increased over $1,000,000.

Funded and Mortgage Debts were reduced $299,500 through the operation of Sinking Funds in connection with the First Mortgage Bonds of Dominion Coal Company and the Bonds of Cumberland Railway & Coal Company, and by retirement of Equipment Bonds which matured during the year.

Current Liabilities show a reduction of $402,276 other than those to Companies within the British Empire Steel Corporation. Balances due to those Companies was reduced $630,355 so that the aggregate decrease in Current Liabilities is $1,032,631.

At the end of the previous year the excess of Current and Working Assets over Current Liabilities, including balances due to Companies within the British Empire Steel Corporation was $7,213,003; at the end of the past year the corresponding amount was $9,702,190, an increase of $2,489,187 in working capital.

Profit and Loss Account

A comparison of the Profit and Loss Account shows that instead of Combined Losses from the Operations of the several companies amounting to $725,524.09, which your Directors had to report in the previous year, the operations of the year 1926 resulted in aggregate profits of $3,833,274.20. From this there have been deducted for Sinking Funds, Depreciation and Depletion of Minerals $1,089,625.07 and for Interest on Bonds and Debentures paid and accrued $1,235,185.44 leaving a balance of $1,508,463.69 to be carried to Surplus Account.

It should be noted, however, that the Auditors have indicated that a larger amount should have been reserved for depreciation of plant and equipment, the amount included in the accounts of Dominion Iron & Steel Company, viz: $189,703 or approximately the amount of the sinking fund in connection with its first mortgage, being inadequate.

Provisions for this purpose by Dominion Coal Company and by other Companies were considered to be sufficient.

Operations

The operations of the Dominion Iron & Steel Company by its Receiver and Manager were conducted without material change in character or volume and with the assistance of the Company's previously existing staff. The removal of some of the adverse conditions which affected operations in the previous year and the effect of improvements in practice which have been in progress for some time, combined to produce more satisfactory results, but the business of the Company is still hampered by trade conditions and especially by competition with materials imported under low rates of duty or duty free. The Company's case was very fully presented to the Tariff Advisory Board over a year ago but no action has resulted.

The production of steel ingots both in Canada and by the Dominion Iron & Steel Co., in 1926 was practically the same as in 1925. The output of the principal products of the Dominion Iron & Steel Company in the last two years was as follows:

	1926	
Coke	438,100	Net Tons
Pig Iron	249,800	Gross Tons
Steel Ingots	250,000	" "
Rails	81,124	" "
Other Steel Products	131,688	Tons
	1925	
Coke	289,345	Net Tons
Pig Iron	201,795	Gross Tons
Steel Ingots	251,669	" "
Rails	73,912	" "
Other Steel Products	114,027	Tons

Dominion Iron & Steel Company Limited

In the report of your Directors made June 3rd, 1926, and in the President's address at the Annual Meeting of the British Empire Steel Corporation, the serious situation in respect to the financial condition and earning power of this subsidiary was fully explained, and shortly afterward an application was made to the Court for the appointment of a Receiver and Manager on the ground that the undertaking was in jeopardy. Your Directors did not oppose the application and on July 2nd, 1926, the National Trust Company Limited, was appointed Receiver and Manager, to continue the undertaking as a going concern and preserve its working organization, for the benefit of all interested parties, which among others include this Corporation which holds $3,500,000 of Income Bonds and all of the Common shares of the Steel Company.

At the time the Receiver was appointed and took possession the Company owed its bankers about $2,350,000, payment of which was secured by receipts under Section 88 of the Bank Act, giving the Banks a first lien on Inventories, Bills and Accounts Receivable, etc., and guaranteed by the Dominion Steel Corporation. Although the National Trust Company as Trustee for the Bondholders have not made a definite claim upon these Inventories and Receivables, they have refused to admit that the Banks have a claim prior to that of the Bondholders.

In order to avoid the closing down of the Steel Plant which might have occurred if the settlement of this question had been referred to the Courts, the Receiver requested the Banks and Dominion Steel Corporation as guarantor to enter into an agreement to apply to the Court for an order to create a fund sufficient to cover the Company's indebtedness to the Banks, to be held as a special deposit until the ownership could be determined. This was agreed to and sufficient funds have been deposited to liquidate the Company's liability to the Banks.

Your Directors are convinced that this fund belongs to the Banks and should be applied to the liquidation of the Company's indebtedness. They have repeatedly urged the National Trust Company to assist them in having the liability if any, of the Dominion Steel Corporation upon its guarantee determined, but without success. Recently, when the Court was asked to determine the ownership of the $2,400,000 on deposit and for this purpose to order the hearing of a stated case, the Trust Company, together with the Canadian Bank of Commerce and the Bank of Montreal, opposed the efforts of your Directors to have the ownership of the funds determined.

Your Directors have reason to believe that it is the desire of the National Trust Company with the assistance of the Canadian Bank of Commerce to keep this question undetermined so as to make it difficult or impossible for the Dominion Steel Corporation to settle with its only creditor of any importance (whose claim is more fully explained below) and thereby possibly force the Dominion Steel Corporation into Liquidation.

No foreclosure under any mortgage or deed of trust has occurred, but the First Mortgage Bonds, Consolidated Mortgage Bonds and Income Bonds are in default and the principal and interest of all are due, together with indebtedness of the Company to its unsecured creditors.

Within the past ten days the Receiver has obtained the authority of the Court to borrow upon Certificates having a first or prior lien upon all of the Company's property, a sum sufficient to pay the interest upon the First Mortgage Bonds up to 1st July next, but such payment will not cure the default nor alter the fact that the principal of the Bonds has matured.

The steel plant, iron ore mines, quarries, and other property is operating satisfactorily under what your Directors believe to be the best working organization that has ever been in charge. There has been continuous improvement in production costs beginning with the mining of iron ore and going through to each finished steel product. The Receiver has maintained the working organization practically intact but without the approval of the Court on March 23rd last, removed from supervision of the Company's business the President of the Dominion Iron & Steel Company for the sole reason that as President of Dominion Steel Corporation he opposed the petition of the National Trust Company for the appointment of a liquidator **and the winding up of this Corporation.**

The value of the Company's sales in 1926 has shown a material increase over 1925. This increase was approximately 2% in the Maritimes, 5% in Ontario, 9% in Western provinces, 13% with Canadian Pacific Railway, 17% in export business and 35% with Canadian National Railways. A noticeable feature is that one of its export customers ranks fourth in volume of business, following Canadian National Railways, Canadian Pacific Railway and Nova Scotia Steel & Coal Company.

The first five months of this year show improved steel business in Canada. Steel ingot production for Canada has increased over 25% as compared with the same period in 1926 and the Dominion Iron and Steel Co. is obtaining its share of the increased business. With this increased volume of business and reduced operating costs, much improved results from operations may be expected.

Dominion Coal Company Limited

The operations of this Company in 1926 were fairly satisfactory. It shipped more coal up the St. Lawrence than in any year since 1914. The working capital of the Company during 1926 improved $1,972,122 and the Net Profit after Bond Interest, Income Bond Interest and Depreciation was $1,259,182.13.

The output of this Company's coal mines for the balance of 1927 is practically sold and 1927 earnings should equal or exceed 1926 with a relative improvement in the working capital.

Dominion Iron & Steel Company Bonds Guaranteed by Dominion Steel Corporation Ltd.

In 1922 it was necessary for the Dominion Iron & Steel Company to sell $4,639,000 of its Consolidated Mortgage Bonds. The bonds were only saleable if guaranteed by the Dominion Steel Corporation Limited and after negotiating with Canadian bankers, your Directors found it advisable and advantageous to sell them to an American banking house that had previously furnished a substantial amount of capital to the Nova Scotia Steel & Coal Co.

The Dominion Steel Corporation agreed to take up these bonds at par if Dominion Iron & Steel Co. defaulted and in accordance with that undertaking the Dominion Steel Corporation in December 1926 became liable for the amount of these bonds, $4,639,000 and interest. This obligation it has not been able to meet.

Disputes Between National Trust Company, Receiver of Dominion Iron & Steel Company and Dominion Coal Company and Dominion Steel Corporation

The Dominion Iron & Steel Co. obtains its supply of coal, at present about 800,000 tons per year, from the Dominion Coal Co. Limited, under a contract which provides for a revision of price at certain intervals. That contract as interpreted by the National Trust Co. would fix the price of coal at some figure between $1.00 and $2.50 per ton less than the cost of production, while the Dominion Coal Co. interprets the contract to mean that the price shall be the cost of coal and something in addition.

There is owing to the Dominion Iron & Steel Co. Ltd., by the Dominion Steel Corporation Ltd. an amount between $500,000 and $1,000,000 against which Dominion Steel Corporation claims the right to set off $3,500,000 of Income Bonds of the Dominion Iron & Steel Co. which are due, and any loss it may suffer from its guarantee on $4,639,000 of the Consolidated Mortgage Bonds which is still undetermined. There is also its liability to the Banks contingent upon settlement of the controversy as to whether $2,400,000 on special deposit belongs to the Bondholders or the Banks.

Petition for a Receiver

Recently the National Trust Company having for that sole purpose purchased one of Dominion Steel Corporation's preference shares petitioned the Court **to appoint their nominee, Royal Trust Co., as liquidator for Dominion Steel Corporation so that the Corporation might be wound up.** The petition claimed many things but the only material ground was that they desired to prevent the possibility of the assets of the Corporation being sacrificed and dissipated as a result of proceedings that might possibly be taken by holders of the bonds of Dominion Iron & Steel Company that are guaranteed by your Corporation.

At the same time they petitioned the Court that the British Empire Steel Corporation **should be forthwith wound up.**

The Court in a reasoned judgment dismissed the petition to wind up the British Empire Steel Corporation but has not rendered judgment upon the petition to wind up the Dominion Steel Corporation. The only distinction between the two cases arises out of the liability of your Corporation to the holders of the guaranteed Bonds of the Steel Company and your Directors believe that a satisfactory settlement with them is possible.

Committee Representing Preference Shares of Dominion Steel Corporation

This committee was formed and solicited the deposit with them of preference shares of the Corporation. On March 24th they stated there was on deposit with them 24,722 shares so that the preference shares would be represented as follows:

	shares
Deposited with Committee	24,722
Owned by British Empire Steel Corp.	22,945
Free and not deposited	22,333
Total issue	70,000

British Empire Steel Corporation Reorganization

The three classes of shareholders of the British Empire Steel Corporation appointed committees to assist in developing a reorganization plan. The British Empire Steel Corporation in addition to owning 22,945 shares of the Preference Stock of this Company owns 430,000 shares of its Common Stock, being the entire issue. These committees developed a plan designed to hold together all of the assets of the British Empire Steel Corporation and submitted it to Dominion Steel Corporation Preference Shareholders Committee, who refused to discuss any reorganization that included any British Empire Steel Corporation properties other than the Dominion Steel Corporation group. In addition they claim there is no value in the Common Shares of your Company and they demand that be wound up. They are not concerned that the interests of the Common Shareholders of the Dominion Steel Corporation should be sacrificed to satisfy their demands.

Government Assistance

The Dominion Iron & Steel Co. shortly before the appointment of a Receiver presented a case to the Tariff Board with reference to increased duties on steel. Since the appointment of the Receiver the services of your officials have been offered to the Receiver in connection with Tariff Board and other Governmental matters if required. To date no further progress has been made on these matters and the efforts of the National Trust Company to obtain assistance or relief from the Dominion or Provincial Governments have been fruitless.

For several years past the management has been urging upon the Government of Canada the necessity of assisting the companies controlled by the Corporation. Resulting from such efforts the Customs Tariff has been amended to provide for an import duty of 50 cents per ton on slack coal as compared with 14 cents previously in effect. Customs regulations have been changed discontinuing the payment of rebate of duty on foreign coal imported for bunkering of ships at certain ocean ports. Legislation was very recently enacted providing for Government assistance in the building of by-product coke ovens to use Canadian coal, a reduction of 20% in freight rates on coal and steel and other products of your Companies and a reduction in freight rates upon numerous materials that are transported by rail for their use. These have tended to remove some of our disadvantages and have not only enhanced the value of your properties but will improve the earnings of the companies in the future.

Your management has at all times received a welcome and sympathetic consideration from the Government at Ottawa and your Directors have confidence that further adjustments will be made in the near future that will make it possible to reorganize the steel industry.

If the Committee representing the Preferred Shareholders who have deposited 24,722 shares with them cared to assist the British Empire Steel Corporation Limited, which owns 22,945 shares of the Preference Shares of your Company and 430,000 shares of its Common Stock, the Management feels certain that present difficulties could easily be removed, and if it was found necessary to leave the Dominion Iron & Steel Company for later reorganization the group of Dominion Steel Corporation companies would not be broken up as when the Guaranteed Bondholders are satisfied, your Corporation would own 40% of the total issue of Consolidated Mortgage Bonds in addition to $3,500,000 of Income Bonds and all the Common Stock of that Company.

On behalf of the Board of Directors,
R. M. WOLVIN,
President.

Montreal, 24th June, 1927.

DOMINION STEEL CORPORATION LIMITED AND CONSTITUENT COMPANIES

Consolidated Balance Sheet, December 31, 1926

Excluding the Operations of Dominion Iron & Steel Company, Limited.

Combined Profits from Operations after deducting Manufacturing, Selling and Administration Expenses, but before charging Sinking Funds, Depreciation and Interest on Funded Debt			$3,251,937.44
Deduct: Provision for Sinking Fund, Depreciation and Depletion of Minerals			899,921.82
			$2,352,015.62
Deduct also:			
Interest on Bonds and Debentures		$ 394,146.41	
Proportion of Discount on Bonds written off		19,465.20	
			413,611.61
Net Profit for Year			$1,938,404.01
Add: Surplus at December 31, 1925			11,582,468.80
Balance, Surplus at December 31, 1926			$13,520,872.81

Consolidated Balance Sheet, December 31, 1926

Excluding the Assets and Liabilities of the Dominion Iron & Steel Company, Limited, the Common Stock and Income Bonds of that Company which are owned by the Corporation being carried as Investments.

ASSETS

Cost of Properties:			
Plants, Coal Areas and Equipment		$46,892,900.50	
Less: Reserve for Depreciation, etc.		13,481,966.82	$33,410,933.68
Dominion Iron & Steel Company Limited:			
Income Bonds		3,500,000.00	
Common Stock		37,000,000.00	
			$40,500,000.00
British Empire Steel Corporation Limited:			
7% Second Preference Stock	$1,386,000.00		
Common Stock	616,000.00		
	$ 2,002,000.00		
Carried at value of			574,904.88
Cash in Hands of Trustees			8,333.75
Current and Working Assets:			
Inventories of Finished Products, Goods in Process and Materials and Supplies, less Reserves		$2,018,205.92	
Trade Accounts and Bills Receivable, less Reserves		2,339,585.65	
Other Accounts Receivable		226,740.22	
Investments		63,916.51	
Cash on hand and in Bank		822,428.92	
			5,470,877.22
National Trust Company Limited, Receiver and Manager of Dominion Iron & Steel Co. Limited			235,745.13
Deferred Charges to Operations:			
Discount on Securities, Development, Expenditure, etc.		$240,475.53	
Insurance and other Expenses paid in advance		106,154.79	
			346,630.32
			$ 80,547,424.12

LIABILITIES

Funded & Mortgage Debt:			
Dominion Coal Co., Limited:			
5% First Mortgage Bonds (1940)		$4,576,000.00	
6% First Refunding Mortgage Sinking Fund Gold Bonds (1955)— Authorised	$15,000,000.00		
Issued	$5,000,000.00		
Less:			
Held in Treasury $2,000,000.00			
Deposited with Banks as collateral 3,000,000.00	5,000,000.00		
Cumberland Railway & Coal Co., Ltd.:			
5% First Mortgage Bonds (1940)		2,646,000.00	
Dominion Steel Corporation Ltd.:			
6% Employee Debentures	$1,000.00		
6% Equipment Bonds	360,000.00	361,000.00	$7,583,000.00
Deferred Payments on Properties			124,750.00
Current Liabilities:			
Accounts Payable & Accrued Liabilities		$1,010,775.85	
Wages Payable and Accrued		210,276.74	
Accrued Interest on Bonds		80,280.80	1,301,333.39
Balances Payable to Companies Within The British Empire Steel Corporation Limited:			
Dominion Iron & Steel Co. Ltd.: Notes	$1,616,752.86		
Current Accounts (Subject to set off)	1,422,660.10	3,039,412.96	
Other Companies		709,100.63	
			3,748,513.59
General Operating Reserves			[illegible]
Capital Stock:			
Preference Stock of Corporation		$7,000,000.00	
Preference Stock of Dominion Coal Co. Ltd.		3,000,000.00	
Common Stock of Corporation		43,000,000.00	
			53,000,000.00
Surplus:			
Balance as per statement attached			13,520,872.81
			80,547,424.12

Contingent Liabilities:

Guarantor on $4,639,000 Dominion Iron & Steel Co Mortgage Bonds now in default.

Guarantor on Dominion Iron & Steel Co. Bank Loans, $2,400,347.18.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND SURPLUS FOR THE YEAR ENDING DECEMBER 31, 1926

Combined Profits from operations after deducting Manufacturing, Selling and Administration Expenses, but before charging Sinking Funds, Depreciation and Interest on Funded Debt			$3,833,274.20
Deduct: Provision for Sinking Funds, Depreciation and Depletion of Minerals			1,089,625.07
Deduct also:			$2,743,649.13
Interest on Bonds and Debentures		$1,159,659.12	
Proportion of Discount on Bonds written off		75,526.32	
			1,235,185.44
Net Profit for year			$1,508,463.69
Add:			
Surplus at December 31, 1925		$12,012,115.35	
Adjustment of Wabana Ore Sales (applicable to prior years)		90,359.02	
			12,102,474.37
Balance, Surplus, December 31, 1926			$13,610,938.06

NOTE:—The above results are subject to the sufficiency of the provision for Depreciation of Plants and Equipment of the Dominion Iron & Steel Company Limited.

DOMINION STEEL CORPORATION LIMITED AND CONSTITUENT COMPANIES

Consolidated Balance Sheet, December 31st, 1926

With which are incorporated the Assets and Liabilities of Dominion Iron & Steel Co., Limited, whose affairs are presently being managed by National Trust Company, Limited.

ASSETS

Cost of Properties:			
Plants, Coal Areas and Equipment		$104,759,969.51	
Less: Reserve for Depreciation		24,074,036.76	
			80,685,932.75
British Empire Steel Corporation Limited:			
7% Cumulative 2nd Preference Stock (par)		$7,391,425.00	
Common Stock (par)		3,144,600.00	
		$10,536,025.00	
Carried at a value of			[illegible]
Cash in Hands of Trustees			[illegible]
Bonds Purchased for Sinking Funds			176,962.66
Current and Working Assets:			
Inventories of Finished Products, Goods in Process, and Materials and Supplies, less Reserve		$8,385,533.94	
Trade Accounts and Bills Receivable, less Reserves		5,807,452.69	
Other Accounts Receivable		848,840.82	
Investments		324,251.99	
Cash in Bank and on hand		1,093,631.65	
			16,459,711.09
Deferred Charges to Operations:			
Discount on Securites, Development, Expenditures, etc.		$ 895,769.67	
Insurance and other Expenses paid in advance		310,453.74	
			1,206,223.41
			$105,453,462.11

LIABILITIES

Funded and Mortgage Debt:			
Dominion Coal Company, Limited 5% First Mortgage Bonds (due 1940)		$4,576,000.00	
6% First Refunding Mortgage Sinking Fund Gold Bonds (due 1955):			
Authorized	$15,000,000.00		
Issued		$5,000,000.00	
Less:			
Held in Treasury	$2,000,000.00		
Deposited with Banks as Collateral to Loans	3,000,000.00		
	5,000,000.00		
Dominion Iron & Steel Co., Ltd:			
5% First Mortgage Bonds (due 1929)	$5,159,000.00		
5% Consolidated Mortgage Bonds (due 1939) Sterling Series £1,445,600	7,035,253.34		
*Currency Series	4,639,000.00		
		16,833,253.34	
Cumberland Railway & Coal Co., Ltd.:			
*5% First Mortgage Bonds (due 1940)		2,646,000.00	
Dominion Steel Corporation, Ltd.:			
6% Employees' Debentures	$1,000.00		
6% Equipment Bonds	360,000.00		
		361,000.00	
			$24,416,253.34
Deferred Payments on Properties			228,750.00
Current Liabilities:			
Bank Loans	$3,332,946.99		
Less: Cash Collateral Account	2,400,347.18		
		932,5990.81	
Advances, secured by Receiver's certificates		2,244,300.00	
Accounts Payable and Accrued Liabilities		2,134,997.43	
Wages Payable and Accrued		210,276.74	
Bond Interest due and accrued		827,679.78	
			6,349,853.76
Balances Payable to Companies within the British Empire Steel Corporation Limited			407,607.11
Reserves:			
Furnace relining and other Reserves			2,439,[illegible]
Capital Stock:			
Preference Stock of the Corporation 6%		$7,000,000.00	
do Dominon Coal Co, Ltd., (7%)		3,000,000.00	
do Dominion Iron & Steel Co., Ltd. (7)		5,000,000.00	
Common Stock of the Corporation		43,000,000.00	
			58,000,000.00
Surplus:			
Balance, as per Statement attached			13,610,938.06
			$105,453,462.11

*Guaranteed by Dominion Steel Corporation.

Real Situation in Asbestos—See page 9

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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The Nation's Business

The Besco Tangle

Wolvin's Reorganization Plan Inadequate

Does Not Change Status of Industry

Worthy Scheme for Settling Boys

SHAREHOLDERS of British Empire Steel Corporation and its constituent companies are indeed in a perplexing position. On the one hand they are solicited by Roy M. Wolvin, their president, to support a plan for the reorganization of the corporation. Mr. Wolvin offers his job as hostage. If the shareholders approve his reorganization plans, he personally will resign.

On the other hand, shareholders are asked by National Trust Company, trustee for certain bondholders, and holder also of large blocks of stock (which had been deposited to secure the bonds), to oppose the Wolvin plan of reorganization and to support their general scheme of putting all the Besco enterprises in the hands of the courts while a reorganization plan is worked out.

* * *

FOR which group shall the shareholders vote? The situation is indeed confusing. All the right and all the wrong is not on one side or the other. The Wolvin plan carries no assurance of complete ultimate success for the corporation. The National Trust can promise only an attempt to save something for bondholders and shareholders by taking steps to place the whole group of steel and coal enterprises on a profitable business basis.

The Wolvin reorganization plan contemplates writing down capitalization. Shareholders will receive new stock for their old. Their allotments will leave about two-thirds of the stock in the treasury, unissued, and available for further financing. This feature of the plan has been the subject of protest. It is pointed out that the directorate will be able to arrange the terms upon which additional stock can be issued, and may shift the control of the company from the Besco second preference shareholders, who are now nominally in control. This objection may have some merit but it is over-shadowed by other objections to the Wolvin reorganization plan, the chief of which is this:

The plan is but another synthetic refinancing of the Nova Scotia steel and coal industry that merely changes the capital structure without changing management policies. The stock complexion changes; the industry itself is forgotten just as it has been forgotten in an endless succession of stock-jobbing and promotion activities that have cursed it from the start.

* * *

THE National Trust Company proposes liquidation or winding up for British Empire Steel Corporation and Dominion Steel Corporation. This procedure would if possible be followed up by similar winding up of Nova Scotia Steel and Coal Company, thus placing the whole group of enterprises under control of the courts, with different trust companies—the National, Royal and Eastern, acting as receivers.

* * *

THROWING the companies into liquidation does not mean exactly what the word may convey to many people. The National Trust Company gives assurance that it proposes only that the enterprises be placed under the jurisdiction of the courts, enabling them to be managed in a way that will conserve their intrinsic assets and that will permit a reorganization plan to be worked out from within.

The trust company considers that the interests of all security holders, including both bond-holders and stockholders can be best served in this manner. It is doubtful if they have been able to convince shareholders generally that they have a bona fide desire to protect the shareholders as well as the bondholders. The trust company might well make its assurances in this regard more definite.

In the ultimate analysis, a plan of reorganization can only be worked out slowly and after careful study of all phases of the enterprise. True, the Wolvin interests have had ample opportunity for such study and feel that their reorganization plan is the result of their intimate knowledge of the company's affairs. This is only one of the impasses that investors reach in their attempts to choose the best course. They must solve it by taking a distant view.

The present group in control of Besco have failed to make a success of the management of the gigantic industries entrusted to their control. The entangled corporate enterprise that was their own conception has fallen short of their promises. At the last minute they offer further financial juggling as a panacea. This is likely to prove as ineffective as each of the long succession of mergers that have piled stock upon stock on top of the industry. It is time for a broader action. Reorganization of

(Continued on page 4)

NATIONAL TRUST CERTAIN THEY CAN BAR WOLVIN PLAN

Claim They Have Sufficient Proxies to Kill Scheme

WOLVIN OFFERS SELF

Ready to Resign as President if Shareholders Will Support Hayden, Stone, Wolvin Arrangement

The Jubilee holidays provided only a breathing spell in the controversy regarding the future of British Empire Steel Corporation. President Wilson and Emperor William in their palmiest days as correspondents never produced such an interchange of notes as has appeared from the high-speed typewriters in the offices of President Roy M. Wolvin and the National Trust Company, opposing captains in the Besco war.

Here is three day's record of rounds fired and it only includes shells exploded up to the time of going to press:

July 4. Shareholders receive from National Trust long letter outlining reasons for opposing Wolvin reorganization plan.

July 5. President Wolvin replies. Calls letter "camouflage."

July 5. Statement issued that London Times supports National Trust.

July 5. President Wolvin offers to resign if his plan carries.

July 6. National Trust replies, says defeat of plan certain.

July 6. President Wolvin, in interview, says shareholders still waiting for more information from National Trust.

July 6. J. P. Steedman, of Hamilton, criticizes National Trust for not bringing in a better plan.

Thus public statement after public statement pours forth first from one side and then from another, with little new light of any kind really being shed on the Besco battle. In the meantime, the shareholders of the Dominion Steel Corporation have met and have approved the action of the board of directors of the corporation in opposing the National Trust Company's application to the courts for a winding up order. The common shares of the Dominion Steel Corporation are held by Besco, but the preference stock is largely in the hands of the public.

The vital event of the week, however, was the definite statement of National Trust Company that they have sufficient proxies to kill the Wolvin reorganization plan.

The crisis in the battle between Besco and the National Trust takes place on July 11, when the shareholders meet to decide whether they will throw in their lot with the management and Hayden, Stone & Company, Boston bankers, and accept the capital reorganization plan of the management, or whether they will support the National Trust.

If the shareholders accept the proposal submitted by the management, Hayden, Stone & Company state that that they will be responsible for a complete re-organization of the industries, and state also that they have a strong backing of large but unnamed Canadian interests.

The National Trust Company urges the shareholders to turn the proposed

(Continued on page 4)

CRUDE OIL WELL IN TURNER VALLEY

Imperial Oil Subsidiary Encounters Important Results — Means Much to Area

Dalhousie Oil Co. a subsidiary of Imperial Oil has brought in a crude oil producer in Turner Valley Oil field. The oil is 42 gravity. The well is two miles south of Royalite No. 4, the first producer in the field and which is a large gas and naphtha producer.

A 24-hour test shows a 190 barrel flow of crude oil from the Fernie shales, a different formation to that in which the large gas-naphtha flow has been encountered by other wells, and nearer the surface. Small crude flows have been encountered by others in this same formation.

It has always been contended, that if the drillers could get on the outer edge of the gas strata they would have an excellent chance of getting crude oil. However, the limestone, lying below the Fernie shales, has always been looked to as the proper oil formation. A number of geologists also contended that the favorable area for crude was in the north part of the field as they believed that the gas pressure would increase as they worked south.

This new development is important. Turner Valley needs a crude production to absorb the high grade naphtha which is being produced, and with which it can be mixed in refining. The Devenish well, located a considerable distance to the south and east of Turner Valley and which came in a few weeks ago, recently gave 250 barrels of oil per day on the swab and when pumped is expected to give 550 barrels daily. Western Oil Examiner, says that a deal is under way for Imperial to take over a substantial acreage of the Devenish leases which total 70,000 acres, practically en bloc. Imperial will drill these on a royalty basis.

Tells Canada's Role

ALBERT MATTHEWS,
Toronto investment banker who has returned from the International Economic Conference at Geneva and tells of its interest to Canada.

Plan $3,000,000 Bond Issue for Hardware Deal

A public bond issue of around $3,000,000 will shortly be offered by a syndicate headed by Willison Neely Corporation to finance the merger of fifteen hardware companies, now in process of consummation.

About fifteen companies are involved, including one large wholesale hardware house, several firms doing both retail and wholesale business and a number of retail stores in Ontario and Quebec. The combined turnover of the different units is in excess of $8,000,000 annually.

The owners of the properties going into the merger are accepting junior securities for their properties thus creating a very substantial equity to back the first mortgage bonds that will be sold.

According to present plans, the financing will be done in Canada.

Willison-Neely Corporation are successors of the Municipal Bankers Bond and Sales Corporation, which effected the merger of Canadian Department Stores last year and financed it by the sale of bonds in New York and Canada.

Penman's Earnings Are Being Well Maintained

From Our Own Correspondent.

MONTREAL.—It is understood that during the first half of its fiscal year the earnings of Penmans, Limited, were at the rate of between $5 and $6 per share per annum. Last year, Penmans earned on its common stock 17.55 per cent., but the stock has since been split three for one.

CANADA STANDS TO BENEFIT FROM GENEVA POLICY

Adoption of Broad Principles of Conference Would Help

RAISE BUYING POWER

Purchasing Abilities Would Have Not Grown With Production, Showing Need in Freer Intercourse

An Interview with ALBERT MATTHEWS, Of Canada's Delegation to the International Economic Conference at Geneva.

The report of Canada's delegation to the recent International Economic Conference at Geneva is now in course of preparation and will shortly be presented to the government at Ottawa. It will contain no striking recommendations but will merely review some phases of the discussions at Geneva that have a relation to Canadian affairs.

The Canadian delegation had little to take to the conference and, because of the nature of the conference, could bring very little back. This is in itself a tribute to the prosperity of this country. The conference was called to discuss some of the more pressing economic problems of the world today, chiefly those critical problems which beset Europe. From these problems, Canada has been singularly free, occupying with the United States a splendid isolation from the troubles of war-torn Europe. Canada, too, is remarkably clear of vexatious fiscal policies and regulations hampering the free international exchange of commodities. Because of these conditions, the Canadian delegates had little more to do than to act as observers, to put in a word about Canada's position when it was involved and to find the viewpoint of other countries in international economic relationships. It is probably safe to say that the Canadian delegates did more good for Canada and learned more of interest to Canada in the unofficial conferences and conversations than on the floors of the assembly.

Will Benefit Canada in Time

"Canada stands to benefit very materially from the freer interchange of commodities that the conference aimed at," said Albert Matthews of Toronto, one of Canada's delegates, interviewed by The Financial Post this week on his return from the Geneva conference.

"Trade barriers and hindrances are preventing international trade from developing as it should and this is a definite factor in maintaining purchasing power particularly European purchasing power, below pre-war levels. If we can bring about a condi-

(Continued on page 8)

Detroit-Windsor Bridge Will Soon be Reality

American and Canadian Bankers Will Finance Project

OPEN IN THREE YEARS

The Necessary Governmental Authority Secured—Will be Used by Vehicles and Foot Traffic Only

After many years of waiting, residents of Detroit and Windsor will soon be able to pass from one city to the other by means of a new high level bridge which will be under construction some time this fall and completed, according to preliminary plans, by September, 1930. It is learned by The Financial Post that several well-known American and Canadian bond houses have agreed to undertake the necessary financing in connection with this development and that an official announcement will be made within the next two weeks.

While complete details are not available, it is known that the bridge will be simpler in design than that contemplated some five or six years ago, Present plans allow for vehicular and foot traffic only. Railways will continue to use existing services and will not, it is understood, be allowed the use of the new bridge. Necessary legislative authority, both Washington and Ottawa, has been secured. Agreements have also been entered into with the municipalities directly concerned and such items as assessment, toll charges, etc., satisfactorily arranged. All that remains to be done is the awarding of a contract for the construction of the bridge and until this is accomplished, it will not be known just what type of bridge will be erected, size, cost, etc.

Issue Two Securities

It is further understood that two types of securities will be issued—a first mortgage and debenture. Just what percentage of either will be

(Continued on page 9)

Common Stock Index Lower

A drop of fifteen points in the weighted index number of the twenty-five best selling industrial and public utility common stocks on the Montreal and Toronto exchanges, took place in the week of July 2nd, the number being 332.3, as compared with 347.3 for the week ending June 25th.

All twenty-five stocks included, declined in price. The average price of Brazilian fell from $159.7 to $154.9. Smelters from $235.3 to $223.0, Dominion Bridge $186.2 to $173.1, International Nickel from $62.7 to $59.0, Massey-Harris $36.1 to $33.8, Montreal Light, Heat and Power from $84.6 to $81.8, Quebec Power $279.9 to $253.5 and Shawinigan from $85.4 to $77.4.

Merger is Planned of Lock Manufacturers

It is learned that negotiations are under way having for their object the merging of the interests of at least five of the six factories located in Canada and engaged in the manufacture of locks and similar builders' hardware. While negotiations are yet in the early stage Hardware and Metal states this week that three out of five of the firms engaged in this line have declared themselves, unofficially, as being agreeable to a merger of interests and options have been given on at least two of the properties. It is understood that the sixth concern, being the Canadian branch of a large United States firm, is unlikely to consider the proposed amalgamation. It is felt by some of the lock companies that certain economies can be effected and other advantages accrue from the merging of their interests

Coast Lumber Mills Expect Stability from Long-Awaited Merger

Adoption of Scientific Sales Methods One Reason For Fusion

50 MILLS INTERESTED

Many B.C. Mills Are Discussing Joining Pacific Northwest Lumber Mill Consolidation

By CHARLES L. SHAW.

VANCOUVER.—Long years of low prices and scant profits are bringing Pacific Northwest lumbermen to the point where they realize that something drastic must be done in the way of standardizing production and adopting scientific sales methods. Present indications are that the lumber industry during the next decade will experience a period of mergers just as many other industries have in the past, and that the day is approaching when the big timber operations will be more or less in the hands of a few gigantic corporations best equipped to market their output on a profitable basis.

Few Mergers Seen Yet

Until now the lumber industry of the Pacific Northwest has been one of the few industries on the continent that has not been affected by the merger virus. Practically all the producers are individual companies, with no particular organization dominating the field, as in the majority of similar industries. Naturally there are a few gigantic companies operating, including several which were originated in the East and Middle West before the forests of those regions were threatened with depletion. In this group might be included the enormous Weyerhaeuser group and the Long Bell Company, both of which have important ramifications in the east as well as in the Northwest. Through interlocking directorates and other forms of co-ordination several big British Columbia lumber enterprises are linked with American corporations whose capital runs well into the millions. The main stimulant to this sort of arrangement is the ability of the big corporation to buy and hold vast areas of timber and to sell the finished product through its own sales agencies established in the recognized buying centres of the continent and overseas.

Stage Set for Big Consolidation

The stage now appears to be set for the biggest consolidation in lumber history. By the time it is completed probably a hundred or more producing units will be included. Such a consolidation is regarded by big timber interests as an economic necessity from the standpoint of the industry and also from the viewpoint of the community. The difficulty in the fir region—that is to say, British Columbia, Washington and Oregon—is not so much a question of overproduction as it is one of merchandising. Fir lumber has not been put on the market in the past in a manner comparable with the

(Continued on page 9)

English Representative Off Dom. Steel Board

It is understood that at the annual meeting of Dominion Steel Corporation this week, W. S. Hodgins was dropped from the directorate.

Mr. Hodgins was the representative on the board of the English preference shareholders.

These shareholders joined with the National Trust Company in the recent application for the winding up of the corporation.

RAIN INSURANCE COMPANIES MADE MONEY ON JULY 1

Big Premiums Taken in But Sun Shone Over the Dominion

Blue skies and blazing sunshine were the order of the day in practically every part of the Dominion last Friday and Saturday. Canada celebrated her Diamond Jubilee of Confederation under almost perfect weather conditions. What happened to the raindrops? Didn't anybody remember them or were they ignored when invitations were sent out to Canada's Jubilee? According to the statisticians, July is the worst month of the year for thunderstorms; who would have suffered had there been showers instead of sunshine to celebrate Confederation?

In that case the two insurance companies which write rain insurance in Canada would have been liable for upwards of $100,000 in claims. As it is, these companies reaped a rich harvest in premiums, because as far as is known, not one loss has been reported on the risks written to protect the Jubilee celebrants against the rain. It is estimated that the premium income received by insurance companies for coverage during the days of July 1 and 2, amounted to more than $10,000. One company covered 60 individual risks, stretching all the way from New Brunswick to Vancouver, B.C. The coverage included every conceivable kind of celebration from garden parties to military sham battles. Most of the policies were for small amounts varying between $500 and $1,000, while some went as high as $5,000.

All Kinds of Events Covered

What is rain insurance? Briefly it is insurance that gives protection to the promotors of out-of-door events where the income and success of the undertaking depends largely on fine weather. Baseball games, where there is a charge for admission are of course in the front rank as prospects. Then there are fall fairs, band concerts, carnivals, bazaars, horse races, merchandise sales, parades, golf matches, tag days and a host of other occasions where this type of protection can be sold to advantage. Many of these entertainments are such that they can be postponed and held another day. In this case there is not necessarily a total loss of income, but rain insurance is used to cover the additional expense of holding the affair at a later date. Thus rain insurance can be divided roughly into two types. The first type that requires that there must have been a specified amount of rainfall, and the other that the event be postponed or abandoned altogether.

The former is probably the most popular type of policy. It guarantees to pay the insured the full amount of the policy if at least one-tenth of an inch of rain falls during the hours specified. Most policies are only in force for a few hours, and the minimum length of time is three hours. The official observers of the Dominion Meteorological Office, act as referees wherever possible, but if no recorders are available the company sends out its own gauges to measure the amount of precipitation. The business is sold as a rule by the local agent, but each policy has to be written individually. Most of this work is done by head office, as rain coverage is in itself a highly specialized field of insurance.

Insuring Baseball Games

Take for instance the policy written to protect a baseball team against inclement weather. These policies are usually written on the basis of postponement. That is to say if the game is postponed on account of rain the ball team collects the insurance. The insurance on this type of risk is not written by the hour, but becomes effective about six hours before the game is called, and remains in force until four and a half innings of the game have been played. The policy is written very considerably in the United States, and also in Canada,

(Continued on page 5)

Investor's Index

Asbestos Corp.	9	Invest. Bond	11
B. C. Fish	22	L. Secord	7
B.C. Pulp	6	Lind. Dist.	11
Besco	1-4	Loblaws	5
Brazilian	14	Man. Paper	6
Brompton	6	Massey-Harris	11
Can. Bronze	1	Mount Royal	22
Can. Light	11	N. S. Steel	13
C.P.R.	16	Smelters	5
Duluth-Sup.	8	Stan. Chemical	7
Gatineau P.	6	Twin City	8
Inter. Paper	11	Wabasso	8
Inter. Power	8,11	'Peg Electric	8

MINES

Amos Copper	19	Harvie	17
Amulet	17	Hollinger	17
Argonaut	17-18	Howey	20
Baldwin	19	Int. Nickel	17
Bourke R. L.	19	Jay Copper	19
Britannia	17	L. Matachewan	19
Capital	17	Lake Shore	17
Castle	18	Lebel Lode	18
Chaput-H.	19	McIntyre	17-20
Cons. Smelters	17	Nipissing	17-19
C. Contact	19	Noranda	17-19
Destor	19	Osisko	20
Dome	17	Pioneer.	17-19
Don Rouyn	20	Premier	19
Duprat	17	Teck Hughes	17-18
Eplett	18	Victoria Syn.	17
Fiske	20	Walsh Katrine	19
Foothills, Ont.	19	W. Hargreaves	17

REGULAR DEPARTMENTS

Banking 23
Business 3
Insurance 22
Editorial 10
Pulp and Paper 6
Women's Investments 11

SPECIAL FEATURES

Review Brazilian Traction 14
Survey of Asbestos Corpn. 9
Lumber Mills Benefit from Merger........ 1
Anthony MacMillan Writes on Empire Trade 10